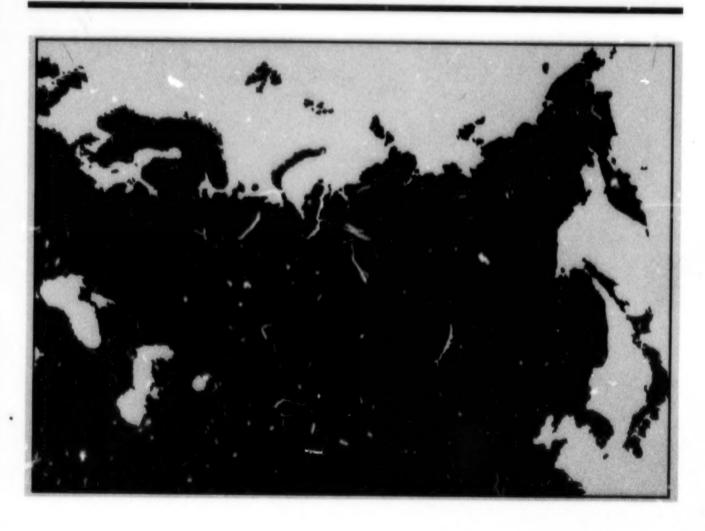
F B I S R E P O R T



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POLITICAL AFFAIRS

Work of State Duma Highlighted 944E0383A Moscow TRUD in Russian 21 Jan 94 p 1

[Report by TRUD correspondent Nikolay Kishkin: "The First Test of Strength"]

[Text] Over the past week the State Duma has generally completed its internal self-organizing. Eight factions and one deputy group, made up of slightly more than 400 deputies, have been formed. Some remained "on the loose"—those who could not form their own groups because of the high "threshold" requirement but did not want to join the existing ones. Russia's Choice became the largest faction, with 76 deputies; interestingly, Zhirinovskiy's faction was pushed back to third place by the New Regional Policy group of 65 deputies elected from one-seat districts. The LDPR [Liberal-Democratic Party of Russia] was two deputies behind in numbers. Now the faction and group leaders together with the speaker form the Duma Council.

The setting up of parliamentary committees also proceeded without particular cataclysms. Actually, all the struggles took place behind the scenes: Even before the session the factions divided the portfolios by striking deals as to who would get which committee, and then took to the plenary session a coordinated draft distribution of responsibilities to be adopted as a package. Which it was. Zhirinovskiy's dream of becoming chairman of the International Affairs Committee did not materialize—the chairmanship went to V. Lukin. Two committees—defense and national security—attracted special attention. S. Yushenkov (Russia's Choice) and V. Ilyukhin (Communist Party of Russia), respectively, were elected chairmen. M. Zadornov (Yavlinskiy's bloc) took charge of the Budget, Taxation, Banking, and Finance Committee. V. Isakov, a former Supreme Soviet deputy and one of the leaders of the irreconcilable opposition, on the other hand, essentially kept his old job as chairman of one of the key committees—on legislation and judicial and legal reform.

So what is the current disposition of forces? There will be a total of 23 committees in the Duma. Five of them are headed by LDPR representatives; four by Russia's Choice; three each by representatives of the PRES [Party of Russian Unity and Accord] and New Regional Policy; two each went to the APR [Agrarian Party of Russia], KPR [Communist Party of Russia], and YaBL [Yavlinskiy-Boldyrev-Lukin bloc]; and one each to Women of Russia and the DPR [Democratic Party of Russia]. This distribution more or less corresponds to the proportional weight of Duma factions, which did not keep one group of deputies, among whom the best known was S. Baburin, from lodging a protest. They did not like the fact that nine committees went to representatives of reformist blocs. Overall there is a perceptible desire on the part of a certain group of deputies who brought to the Duma their old confrontational attitudes to push these blocs aside. Although it is quite obvious that with the current disposition of forces only an effort to work together and take into consideration the opinion of others will enable the Duma to function normally.

At the same time the first votes showed that three factions—APR, KPR, and LDPR (165 votes)—clearly form a bloc, at least when it comes to personnel appointments. It is hard at this point to judge the leanings of the New Regional Policy group—they will become clear only when political and economic problems come up for substantive discussion. In any case, the reformist blocs (which are not all that united among themselves), which account for only 133 votes, should be interested in cooperation with these factions, as well as with Women of Russia faction.

Duma Members' Working, Living Conditions 944E0383B Moscow TRUD in Russian 21 Jan 94 p 1

[Report by TRUD correspondent Nikolay Dorofeyev: "Deputy Baburin's Car to the Entrance!"]

[Text] While members of the Federation Council took a short recess from their activities, State Duma deputies continued to work. There probably would be no reason to delve into the subject of the Duma today had it not been for one somewhat alarming aspect of its activities.

Among other documents presented for the consideration of Duma members was the Statute on Material Support of the Activities of the Deputies to the State Duma of the Russian Federation Federal Assembly. The deputies came up with a lot of comments and amendments. What is it that the parliament members are not happy about? The list of amendments indicates that it is mostly the level of their own material support. It came out, for instance, that Duma members are not happy with a salary that amounts to 90 percent of a federal minister's salary plus bonuses for the special nature and intensity of the job, as well as for length of service. It does not look much compared to commercial structures, and, judging by all signs, they feel insulted at being equated to ministers.

There was a multitude of proposals, including this: to set a Duma member's salary at \$3,000 paid in ruble equivalent... In the end they finally agreed on the following: to set a Duma member's salary as equal to that of a federal minister plus bonuses... Somewhere on the plus side of half a million. And 40 days vacation.

A lengthy discussion ensued on the topic of the size of reimbursement for various expenses such as telephone calls and other unforeseen deputy expenses. The discussion reached its peak when the matter of providing Duma members with transportation came up. Parliament members were not about to accept a motor pool service on request. Some insisted on having a phone in the car. The majority, however, were most pleased with the proposal of S. Baburin, veteran of Russian parliamentary life, to assign an official car to each deputy.

It is easy to visualize: 450 cars (one for each member of the State Duma) idle the entire workday around the parliament's perimeter waiting for a call like this: "Deputy Baburin's car—to the entrance!"

It is, of course, both convenient and prestigious. I think, however, that Deputy N. Travkin was right in trying to

explain to his colleagues what kind of blow to their reputation such decisions produce. They did not listen to him, however.

In short, the entire course of the discussion on the matter of deputies' material support graphically demonstrated how strong among us is the conviction that it is so much better to champion people's interests on a salary no lower than that of a minister and to look at the outside world from the window of a personal chauffeured car...

Problems in Presidential Flight Team Noted 944K0598A Moscow ARGUMENTY I FAKTY in Russian No 2-3, Jan 94 pp 1-2

[Article by Aleksandr Sargin under the rubric "Scandal": "A Soft Landing to You, Mr. President!"]

[Text] It is interesting whether the president of Russia will be able to endure aerobatic maneuvers, such as "loops" or "rolls," and still retain his ability to work. It appears that we will not have to wait long for the outcome of a bold experiment. However, let us have everything in proper order.

Few people know that the plane carrying B.N. Yeltsin has already repeatedly been on the brink of crashing, and that this has not been arranged for him by his foreign partners but rather by his own pilots.

The first case. Returning from Yakutsk on 18 June 1993, chief pilot A. Larin, the commander of a separate aviation detachment of civil aviation of the Russian Federation Ministry of Transportation, landed the plane in Vnukovo flying 1,350 meters further than prescribed. B. Yeltsi was on board the plane at the time. The second case. Without restricting himself to what had already been achieved, A. Larin flew an excessive 1,400 meters at the already mentioned Vnukovo when returning from Warsaw on 24 August 1993 (the president was on board the plane on this occasion, too). Incidentally, if excess flight by an Il-62 comes to no more than 800 meters, the pilot receives a grade of "three" for such a blunder in the flight critique. There is no need to say what the aforementioned numbers "merit." The length of the runway at Vnukovo is 3,050 meters; the flight operations manual for the Il-62 says that the runway for its landing should be no shorter than 2,700 meters. Therefore, had it not been for good meteorological conditions, the presidential liner would have plowed into the fields of Vnukovo. To be sure, B. Yeltsin is already accustomed to this; he experienced hard landings as early as 1990, and in Spain, when he was "disgraced." Apparently this is what the culprits in these emergencies counted on, as they concealed the emergencies from the leadership of the country. Prior to these cases there had been no flight accidents in "detachment No. 1."

The crews of the Separate Aviation Detachment of Civil Aviation of the Russian Federation Ministry of Transportation have carried everyone on their liners! After all, this enterprise, known as detachment No. 235, is intended to carry specifically "the powers that be." Naturally, the professional standard of the flight personnel in the detachment is exceptionally high. Pilots are prepared to fly to any point in the world with the highest degree of flight safety. Cadres

for the "Tsar's stable" were selected from the entire USSR, and subsequently Russia. Pilots considered it an honor to work here. Unfortunately, they do not consider it so at present.

When the new commander A. Larin came in on 6 November 1992, the detachment changed course in the direction of commerce. Of course, the times are now such that one has got to "hustle." Here are some examples of the new approach.

Recently, the Gazprom Joint-Stock Company acquired the French plane Falkon-900-B (the total amount of the contract was \$32 million; operating the plane costs \$300,000-400,000 per month). Gazprom leased the Falkon-900-B to "detachment No. 1" so that this 14-passenger superliner, which Saudi sheikhs like in particular, would also work for Gazprom. Of course, it is pleasant to fly a farewell circle on such a plane over the undernourished, strike-bound Nadym and fly away, say, to Vienna, which is where representatives of the aforementioned joint-stock company indeed went aboard the plane. However, the same amount of money could have bought eight or 10 domestic planes of the II-62 or Tu-154 types.

A. Larin liked the Falkon so much that he went to France together with his wife in order to learn to fly planes of this type, too. The president's personal pilot got carried away by the miracle vehicle to such a degree that he remained in that hospitable country through the dramatic days of 1-5 October 1993.

In the recent past one civil aviation directorate mastered one type of plane per year. Under the new management the "government aviation detachment" intends to master four types in half a year. So, highly rated specialists have been quitting the detachments in the belief that this is adventurism (during the past year more than 30 people have left, and there have been cases of entire crews quitting. These are the flying elite!). They used to think that "high turnover" and this detachment were two ancompatible things.

The management of the Rossiya airline is seeking truly royal funding from the state. For example, 18 billion rubles have already been paid for two An-124's. The justification for their acquisition was to "develop new equipment," although at present the detachment operates planes of six or seven types, and it is not necessary to spend this kind of money on new aircraft. Seven billion rubles have been requested to purchase a Tu-204 plane. The management of the Rossiya airline intends to carry out service tests on the plane, although this is a function of service enterprises and by no means of the special aviation detachment. Funds have also been requested for a few Il-96's for scheduled rather than special flights.

As is known, on 3 December 1993 B. Yeltsin signed an edict on reorganizing the detachment into the Rossiya state transportation company, having agreed "with the proposal of the management and the council of the labor collective" of the detachment. Thereafter A. Larin announced that Rossiya does not report to either the Air Transportation Department or the Russian Federation Ministry of Transportation, but solely to the president. Of course, one may

not be subordinated to the department but one cannot fail to be guided by its documents concerning control and, finally, safety. This is fraught with consequences! We will not get away with just a "plowed field" in this case.

Where does A. Larin's "clout" come from? From his crying from the rooftops that he is a man appointed personally by the president. This appears to be so. As we have learned, he was appointed detachment commander for personal devotion to the president. It is interesting to know what is more important to B. Yeltsin: his life, which depends on a lack of professionalism, or servility, on which, it seems, nothing depends?

Officer Views Security Ministry Changes 944K0600A Moscow ARGUMENTY I FAKTY in Russian No 2-3, Jan 94 p 3

[Interview with unidentified "high-ranking officer of the former Ministry of Security" by ARGUMENTY I FAKTY special correspondent V. Savichev; place and date not given: "The Snail Effect: Former Ministry of Security Staff Must Be Cut by 42 Percent"]

[Text] It is probably not necessary to explain one more time how difficult it is to get any information from "competent organs." Especially in these troubled and unstable times we live in. Even the anonymous interview our special correspondent V. Savichev held with a high-ranking officer of the former MB [Ministry of Security] is only one personal opinion regarding the processes taking place in this sphere.

[Savichev] In your opinion, why was the decision made to disband the MB?

[Answer] In his speech the president called the MB the last bulwark of totalitarianism. We have to keep in mind, however, that all enforcement structures in all times were created in accordance with the existing state model and worked for that model.

[Savichev] One gets the impression that lately they have been working in an autonomous mode.

[Answer] We work for the state; the consumers of our product—information—are concrete people in the leader-ship of that state. It is up to them to decide which part of this information to put to use and which to bury.

[Savichev] So which is it: Too little produced, or poor use? [Answer] I think in the current situation it is both.

[Savichev] So it follows that enforcement agencies remain a state within a state?

[Answer] We have always been and will be a state within a state. It is a sort of a snail effect: When democrats, deputies, the press, or anyone else attempt to touch the soft feelers, it immediately instinctively retracts part of its body into its shell.

The genius of communist leaders was precisely in that they succeeded in creating self-contained, self-reproducing structures, be it the system of the party nomenklatura or enforcement agencies capable in a critical moment of switching to an autonomous mode of operation.

[Savichev] Then perhaps the president's decision to disband the MB was caused precisely by this factor?

[Answer] I think that the reasons for this decision were somewhat different. It is no secret that relations between enforcement structures have always been rather complicated. Each tried to get ahead, or sometimes even upstage colleagues from the neighboring agency, in order to demonstrate to the masters greater loyalty and get a bigger piece of the pie. This is true not just in our country but anywhere in the world.

Now, after the October events and the latest elections, the president has realized that he does not have a base of support. There is not a single more or less serious political force in Russia today. But there are other forces, ostensibly not political, that are beginning to quietly exert pressure on him.

The reorganization of the MB, in my opinion, indicates a desire to bring this agency closer under his wing in order to create a counterbalance to those pressuring him.

[Savichev] All right, B. Yeltsin made the decision, as a result of which half of the staff will lose their jobs. At the same time, the structure possesses a certain share of state power. Will this system be willing to self-destruct?

[Answer] Of course not. But at the same time the MB is not a political organization that puts forward ideas and attempts to implement them. The MB protects what already is—this is the specificity of its work. Besides, this system has over the past few years sustained considerable damage, and I do not think it is capable of adjusting the current external environment to meet its needs. More likely it will adapt to a new environment.

The MB is such a complex organism that amputation of any of its components—that is, relegating it to carrying out the functions enumerated in the president's decree—will have the most negative consequences for national security.

[Savichev] But the MB in the form in which it existed truly is a monster, and society is simply scared to liv with it...

[Answer] People get scared when they see a huge dog only when it is not restrained, hungry, and vicious. We are an instrument of the state, but there is no state yet. And no idea. What are we to do? Yes, we are a monster. The MB of such a huge country should be a monster. But one has to know how to manage this system.

[Savichev] A very rich acquaintance of mine recently found himself in a situation of being "shoved" quite badly. So badly that he was not able to fend it off with the help of regular "specialists." The help came, through an intermediary, from counterintelligence professionals, who first ascertained how solvent he is. Well, they very quickly identified, and then simply squashed like flies, those racketeers. After that, they found their boss and warned him that, well, you are a good guy; we respect you and will leave you alone, but leave our people alone, or we will no longer respect you... Do you not think that if they can decide whom to respect and leave alone in the criminal world, they can do the same in other spheres—for instance, in politics?

[Answer] I would probably agree with you, but if we want to discuss this more or less seriously, one needs the facts...

[Savichev] I am sure there are people among your acquaintances who will not be hired into the new structure. What are their plans for the future?

[Answer] Plans are different, but no one intends to take a job in a government structure.

[Savichev] This leaves commercial ones.

[Answer] Mainly, yes. And mind you, the people who being are forced to take this step are quite good.

[Savichev] And the decisive factor, of course, is money.

[Answer] There is an equally important factor of resentment. Resentment of the way they have been treated; of what has been done to the great power, for whose sake they at some time risked their lives—and these are not just pretty words. You see, in the past there was at least some ideology, ideals, if you wish; now it is a vacuum.

When I cannot buy my son an expensive toy, and I see someone's Mercedes parked next door, I begin to think: Why do I need this job? I am fluent in three languages; I know how to work with people—take my word for it... I support democracy, but I fail to understand why it is that the more democracy we have, the more disadvantaged a man feels.

Still, the material factor for most people I know is not the goal for which they would sacrifice honor and loyalty to motherland... Otherwise there would be many more of those defections that are such a fashionable subject to write about these days. When I worked there, my driving force, my main professional instinct was to protect you all.

Zhirinovskiy Background Explored 944K0599A Moscow ARGUMENTY I FAKTY in Russian No 2-3, Jan 94 p 3

[Article by Dmitriy Makarov and Dmitriy Ragozin: "Around Zhirinovskiy. A Political Portrait"]

[Text] The fashion of writing books that has swept over Russian politicians in recent years has not bypassed Vladimir Volfovich. But as distinct from others, he has written his, but he dictated it without worrying about editing and without being at all concerned about style or even grammar. This kind of work is commonly called "stream of consciousness." But this is also what makes it interesting.

The Essence of His Brain

"This is an analytical narrative intermingled with the biographical canon, the quintessence of my philosophical and geopolitical views on modern reality. This is the essence of my brain, the limit I have reached in my 46 years"—this is how Zhirinovskiy begins his book, which he called "the last rush to the south" and published precisely on the eve of the December elections in an edition of 75,000 copies.

Introducing himself to the reader, Zhirinovskiy immediately touches upon a spot that is sensitive for him—the

question of his paternity: "My first name is Russian—Vladimir, but my father was named Volf, and that is what was written on my father's birth certificate and passport. But mama called him simply Volodya and it would have been simpler for me to be named Vladimir Vladimirovich, but because of bureaucratism or red tape—I do not know, one or the other—I am Vladimir Volfovich. I am proud to bear any name since it is my father's name, although it sounds a little strange to the Russian ear."

Sensitivity to the "Russian ear," for which passive anti-Semitism is no rarity, has distinguished Zhirinovskiy since the very beginning of his political career. Extreme nationalism has also distinguished certain of his "party comrades" with whom he went through the early stages of the establishment of the LDPR [Liberal Democratic Party of Russia]. Those who know Zhirinovskiy assert that in reality he has a very vulnerable soul and he was offended when journalists grabbed on to his slip of the tongue, when he said that his "mama is Russian but father is a lawyer."

The problem is that Zhirinovskiy is trying to please everyone at the same time. In a recent interview in the Israeli newspaper MAARIV he stated that his late father was a Jew. The leader of the LDPR added: "Jews are in a special position in Russia. Ninety percent of the Leninist party were Jews and 90 percent of the members of my party are Jews as well."

In general Zhirinovskiy's book could serve as an ideal aid for people studying psychoanalysis. Here is a little example of his recollections of day nurseries in Almaty: "I recall how we were awakened at 2300 in the evening. They put us to bed at 2100 and awakened us at 2300 to make sure that we urinated in the bucket. The boys went to urinate in one bucket and the girls in another. And that was perhaps the first time, at three or four years of age, that something sexual stirred in me, when I saw girls completely naked."

And here is how political thinking awakened in the young Zhirinovskiy: "I ran through the corridor of the kindergarten and saw the attendants standing by the loudspeaker...they were standing there and weeping. It seemed that they had just received information that somewhere in Moscow a certain Stalin had died. And to me, a child, of course, who still knew absolutely nothing about politics, it was quite incomprehensible why so far from Moscow, in the corridor of the kindergarten, adult people, attendants, nurses, teachers—were standing there and weeping...perhaps this was my first flash of political awareness, my first protest against the personality cult."

The Institute

Since childhood the young Volodya was pursued by the dream of getting away from the backwater Almaty, from his family, where he was the sixth child, to run away from his stepfather whom he did not like (his father died when the boy was less than a year old). Zhirinovskiy wanted to become a diplomat or at least an officer. "Ultimately...I decided to go to Moscow and enter if not the MGIMO [Moscow State Institute of International Relations] then its Eastern version—the Institute of Eastern Languages under Moscow State University."

In 1964 when the 18-year-old Zhirinovskiy crossed the threshold of the Sovetskiy Rayon Committee of the VLKSM [All-Union Lenin Communist Youth League] of Almaty in order to obtain a character reference for admission to Moscow State University, he assured the Komsomol leaders that he would still "become the pride of Kazakhstan." True, he received average marks on his entrance examinations to the Institute of Eastern Languages at Moscow State University, where he was assigned the Turkish language, which is not difficult to study and not very promising on the level of further work.

Dark Spots in the Biography

Zhirinovskiy was a good student, even excellent, and therefore it is not surprising that he was sent for temporary duty in Turkey for the construction of the metallurgical combine in Iskenderun. We do not know precisely what happened there. Zhirinovskiy himself in a conversation with one of the authors said the following in this regard: "The Turks wanted to accuse me of disseminating communist propaganda because I gave a Turk a badge on which, they thought, was a picture of Karl Marx. And when they understood that they were mistaken and that the badge depicted Pushkin, they apologized to me." But that is his version.

And although Zhirinovskiy asserts that he never spent time in a Turkish jail, it was with considerable difficulty that he was rescued from the clutches of the Turkish authorities. To be sent out of a country at midnight for any reason meant, at the beginning of the seventies, the end of one's career, even if it had not begun. According to recollections of Zhirinovskiy's teachers and fellow students, before this trip he was a cheerful person and a joker, but he returned anxious and morally broken.

Zhirinovskiy had no hope of any more trips abroad, even as a translator, but nonetheless he found the strength within himself to graduate from the Institute (with honors), after which he was drafted into the army for two years and sent to Tbilisi, where he served as a staff officer.

Was Zhirinovskiy a Member?

With his reverent attitude toward communist ideals even today, God himself willed Zhirinovskiy to be in the party, but still he remained a "nonparty communist." Why? People who know him say that he tried to enter several times, but...his grim, quarrelsome disposition and his squabbles with those around him made it impossible for him to do this even in the army where it was not difficult to enter the party, especially for an officer working in specialized propaganda. And after that, when he became a "private citizen," working in institutions where there were long waiting lists to enter the CPSU, he could not even dream about it.

The fact that he was not in the party served as an excuse for him to leave the Committee for Defense of Peace, where he worked for two years as a translator after leaving the army.

Zhirinovskiy and the KGB

The fact that the future leader of the LDPR was not in the CPSU predetermines the answer to the question of whether

or not he was a "combatant on the invisible front." At least he was not a staff worker. This required going through training in a secret KGB school, which Zhirinovskiy did not manage to do in spite of all his attraction to training.

Here is what one of his former deputies and close advisers in the LDPR, Leonid Alimov, has to say about this: "I do not think he could be a KGB worker. For some reasons which only he knows, he is extremely afraid of the committee. But Zhirinovskiy has met with its workers repeatedly. When he went to Vologda and Chita during his election campaign, the first place he went was to the Leal KGB division."

Zhirinovskiy, however, considers all discussion of his work in the KGB to be intrigues of bearded journalists and members of Democratic Russia: "They are all bedeviled by the fact that I was in neither the party nor the KGB nor the nomenklatura! This bedevils them because they themselves all came from insane asylums, jails, or out of immigration. I am a rare bird among them."

Diagnosis: Political Figure

Zhirinovskiy has apparently always been a "rare bird." Even as a second-year student he went to the rector of the institute with a plan for reorganizing all Eastern studies education in the USSR. They slapped him on the shoulder and sent him back to study some more. But he was not satisfied with this. "On 15 April 1967," he writes in his book, "I sent a letter to the CPSU Central Committee and in an address to the country's leaders I suggested conducting reforms in the area of agriculture, education, and industry." In the view of psychiatric specialists who have observed Zhirinovskiy's career from the very beginning, this person needs "light psychiatric treatment or consultations with a psychoanalyst. One can state with a great deal of confidence that his difficult childhood and lack of a father were subsequently manifested in the development in the personality of delusions of grandeur and a fervor for reform.

"In principle the desire to be known and the wish to reform society are not in and of themselves a manifestation of a psychological illness. But their sharply expressed form and an inclination to exaggerate indicate psychological deviations inherent in a given individual."

His hysterical behavior, which is especially marked in his speeches in the Duma, and the physical violence that has begun to attract him recently are causing alarm even among his supporters. Zhirinovskiy himself when speaking with one of the authors of this article answered a question about this as follows: "I am prepared at any time to undergo an official examination of my health. I suggested having this done even before the presidential elections. Let the best doctors of Russia give a complete diagnosis from head to toe. I am ready. All these insulting tricks do not affect me."

The problem, however, is that Zhirinovskiy is constantly changing his image. First he is a communist by conviction, then a democrat, first he is in favor of the State Committee for the State of Emergency, then he is against it, first he is for peace, and then he is for war.

LDPR Deputy Profiled
944F0268A Moscow OBSHCHAYA GAZETA
in Russian 1-7 Jan 94 p 7

[Article by Yelena Dikun: "Jukava To Open the Duma"]

[Text] According to the new Constitution of the Russian Federation, the first sitting of the State Duma will be opened by the most senior deputy in terms of years. This is Georgiy Lukava, a candidate of the Liberal Democratic Party.

BIOGRAPHICAL REFERENCE. Georgiy Grigoryevich Lukava was born in 1925 in Tbilisi, in an office worker's family. As he himself says, "My name is Georgian, my upbringing, Russian." He graduated from the Lenin Military-Political Academy and also completed graduate work at the academy in philosophy. He is a professor and doctor of philosophical sciences. The subject of his thesis was "The Nature of the Contradictions in Armed Struggle Involving the Use of Nuclear Weapons." The subject of his doctorate was "Dialectics of the Theory and Practice of the Art of War." He worked in the Philosophy Department of the Lenin Military-Political Academy and was for 16 years deputy head of the Frunze Military Academy Social Sciences Department. He is currently head of the Department of Liberal Arts and Sociopolitical Sciences of the Moscow University of Civil Aviation Engineers. He is married with two children.

My first question concerned the professor's party affiliation. He is a member of the Communist Party of the Russian Federation, apparently, not a "Zhirinovskiy hawk." His Majesty Chance brought Lukava and the Liberal Demo-cratic Party together. Several months ago the LDP [Liberal Democratic Party] held the conference "Russia's Economic, Political, and Spiritual Crisis, and Solutions to It." Lukava was invited to speak also (it should be mentioned that he is a person well known around political teach-in's and does not, as he himself acknowledges, pass up a single roundtable or activity of various parties and movements "in order to be au courant with the debate and with what is said on this issue or the other by Baburin, Isakov, Umalatova, and Shakhray"). Georgiy Grigoryevich delivered a report on the subject "Spiritual Readiness and Its Role in Surmounting the Crisis." His speech went down well, by all accounts. "Leader Zhirinovskiy himself shook my hand and thanked me," Lukava warmly recalls. "True, he had nothing else to say, nor did I ask any questions. I am a tactful sort."

Meanwhile, the LDP's ideas struck home with Lukava, so to speak, and he set about studying its rules and program documents. "I, like many communists, had a superficial idea of this party, mainly from newspaper articles and television programs, but I learned here that the LDP's program coincides 70 percent with the programs of the Communist Party, the Russian National Union, and other patriotic organizations."

Nor, for their part, did the Zhirinovskiyites forget Lukava. When the campaign began, Georgiy Grigoryevich received a call from LPD headquarters: "We have been conferring here and have decided to ask you to be a candidate for deputy from our party." Lukava thought about it for two days, after which he agreed.

The professor shares far from all of Zhirinovskiy's views. He believes, for example, that "there is an element of insufficient balance" in certain pronouncements of the LDP leader on foreign policy matters, Finland's annexation to Russia, say. But Georgiy Grigoryevich categorically disagrees that Zhirinovskiy is preaching fascist ideas. In his view, some people want simply from a feeling of envy to discredit Vladimir Volfovich's good name.

Lukava sees as one of his tasks the building of a bridge of friendship between the Zhirinovskiy and Zyuganov camps. "I would like all that is strong in the Liberal Democratic Party to be linked with the same strong aspects and representatives of the Communist Party of the Russian Federation." That Communist Party leader Zyuganov recently declared for all to hear the readiness of the communists to interact with the healthy forces of the LDP he considers his contribution, to some extent.

Today all Lukava's thoughts are taken up with what he will say to his deputy colleagues on the opening day of the Duma. Georgiy Grigoryevich has not yet set about writing his speech, but he has some advance ideas in mind. "I will, of course, confer with those who nominated me for parliament, with Vladimir Volfovich included. Elementary decency on my part implies this." No recommendations from Zhirinovskiy have been received as yet.

The professor intends in his speech to appeal simultaneously to both the intellect and the feelings of the deputies. "I want by the method of emotional impact to create a certain intensity in the hall." Lukava is thinking of employing as a means of emotional impact "elements of spiritual culture," including musical works. "It pleased me greatly that at the Soviet Embassy reception at the time of the Genoa Conference, Chicherin, people's commissar for foreign affairs, played Beethoven's [begins italics]Apassionata and Chaykovskiy's 1812 Overture."

Georgiy Grigoryevich feels little awkwardness at the sorry fate that befell the previous parliament. To the question as to whether he expected a similar end for the present Duma, he replied in purely philosophical terms: "From the standpoint of the great Leibniz, historical analogies do not recur within the framework of the absolute."

It is pleasant talking with a man of depth

Novodvorskaya Outlines Background, Views 944K0603A Moscow ARGUMENTY I FAKTY in Russian No 2-3, Jan 94 p 6

[Interview with Valeriya Novodvorskaya, leader of the Democratic Union of Russia Party, by ARGUMENTY I FAKTY correspondent A. Sargin, under the rubric "Lady in Politics"; place and date not given: "V. Novodvorskaya: "I Would Become a Nun, but There Are Other Things To Do First"]

[Text] A two-room Khrushchev-era "slum" on the outskirts of Maryina Roscha. The entire furnishings consist of a bed, a bookcase, and a desk. Portraits on the walls: Christ, Yeltsin, Gamsakhurdia. Books everywhere, especially on the desk. Also there—a small Colt. This was the setting of a meeting

between our correspondent and the Democratic Union of Russia Party's leader, Valeriya Novodvorskaya.

[Sargin] Valeriya Ilyinichna, what is the meaning of this Colt in a cozy home environment?

[Novodvorskaya] When the KGB used to come time and again to arrest me, I would immediately grab this gun. I carried it to rallies and I remember how an officer in the militia cordon laughed when he checked my purse and found out that this Colt was just a plastic toy.

[Sargin] Can you tell us a little about your family?

[Novodvorskaya] I have lived in this "slum" with my mother and grandmother since 1966. My mother is a physician, my grandmother—a former medical assistant; all are fiery supporters of the president. We also have a cat named Stas. Stasik, naturally, does not have any party affiliation, but I remember that he used to react very nervously to Khasbulatov whenever he was on television. The cat would begin to growl unpleasantly (at that moment Stas walked into the room and started making mischief. V. Novodvorskaya picked him up and said: "Do you not see we are working? Leave us alone; what are you, some communist?"—A.S.)

[Sargin] Pardon me, do you have a friend or a girlfriend?

[Novodvorskaya] My God, are you trying to ask me whether I am a lesbian? No. I am quite indifferent to both homosexual and heterosexual love.

I recognize normal human friendship, normal human relations. That is, when it comes to chastity, I would probably meet the standards of the creators of the young builders of communism code of conduct. I can say with certainty that sex does not exist. If not for Russia, then at least for me and my immediate circle. I am not interested in it. I think under different circumstances a person with such Christian principles would retire to a monastery, because for me this would be a perfect thing. It is just that other things have to be done first.

[Sargin] Who are you by education?

[Novodvorskaya] A philologist, in Roman-Germanic languages. Actually, a "catacomb" historian, because although formally my education is in philology, my knowledge of history is of course much greater. Therefore at Afanasyev's university, at RGGU [expansion unidentified] I teach history and philosophy rather than philology. I know Latin, ancient Greek, French; can read German, English, and Italian. To learn to speak these languages I would need to have spent less time in prison and more time in contact with foreigners.

[Sargin] Have you been arrested often?

[Novodvorskaya] Well, let us start with three rounds under Article 70 alone, which was quite a rarity in the Soviet Union. After all, I am 43, not 60. Then some small stuff like Article 190 Point 2—defacing the state flag. This was under Gorbachev. Then if you count just arrests for participation in rallies—17 instances of 15-day detentions over two years, this alone adds up to more than eight months.

[Sargin] Did they beat you in prison?

[Novodvorskaya] They no longer do that in the post-Stalin times. In Lefortovo they do not engage in beatings at all—they have other ways of talking to you. Those who ended up in special prisons such as "Kazan" were simply tortured, but in a much more sophisticated way—for instance, the dental drill, oxygen injection under the skin, or electroshock. They do not use such primitive methods as beating.

[Sargin] What is it-a "dental drill"?

[Novodvorskaya] This is a classic: They drill healthy teeth until the drill bit pierces your jaw.

[Sargin] Valeriya Ilyinichna, did your family say to you when you ended up in prison time after time: "See! Did we not warn you: Live quietly!"?

[Novodvorskaya] At first they did, then they stopped, because it was useless. My first arrest was in 1969. And the whole thing started in 1968.

[Sargin] Your credo is opposition. Now you are loyal to the current authority. Why such a dramatic turn?

[Novodvorskaya] Our credo is not opposition—it is freedom. If freedom and authority diverge, we are in opposition. If freedom and opposition diverge, we are with the authority. Russia is indeed a unique country. I think this is the first time in history that freedom's ways have diverged from those of the opposition rather than those of the authorities. Now the authority is in opposition, We have to take reality into account. If one goes blindly like a bull for the red cloth, for the sake of going in the direction of opposition, we may end up with red brigades.

[Sargin] Will the elections in Russia have an effect on the fate of CIS republics?

[Novodvorskaya] If the CIS countries have power over their own fate, then of course the elections would have an impact. But I question very much their ability to control their destiny, because in Ukraine those who make the decisions are not Khmara or Chornovil—who could indeed make an impact on the destiny of their republic—but rather "homo sovietica" from southern and eastern Ukraine who voted for Kravchuk.

What is the Union of Independent States? On the one hand, a democratic Russia; on the other—Ukraine, which is also "more or less;" Belarus is a communist preserve but in a presentable form; next comes feudal Turkmenistan; and next—routine communism in Tajikistan and Uzbekistan. What kind of union is this? Georgia, which is in a state of civil war, is being dragged into the CIS. What are we going to get from it except trouble? Is Karabakh not enough for us? We should not drag anybody anywhere. We need to sign mutually profitable agreements.

[Sargin] Perhaps for Shevardnadze this was the last chance to stop war.

[Novodvorskaya] Shevardnadze should know his people a little better. This is not Azerbaijan, which calmed down under G. Aliyev. Last year I visited Georgia, and I now know their attitude toward Russians. I conducted rallies and discussions there; I had a gorgeous transparency in Georgian: "Shevardnadze Is the Butcher of Georgian People" and "Down With Shevardnadze's Fascist Junta."

[Sargin] Did you end up in prison there as well?

[Novodvorskaya] How can you fail to get thrown in prison in Georgia? In Georgia you end up either dead or in prison; no other options.

During my 21-day stay in Georgia I was arrested four times and beaten up three times (the last time they kicked me with their feet until I lost consciousness). I never had a concussion while in Russia. I spent the day of the free elections there, in which 30 percent of population participated and which under Shevardnadze was held under the sights of submachine guns, in an underground prison.

[Sargin] Is it true that you were nearly raped there?

[Novodvorskaya] No. I do not think that I would satisfy the taste of Georgian Mkhedrioni. Thankfully, I am not that young and not that good looking, so I do not think there is any such danger for me. Sazhi Umalatova is the one who is always afraid of being raped because she is beautiful, slim, and blond.

[Sargin] What is your reaction to report about Z. Gamsa-khurdia's death?

[Novodvorskaya] Zviad died in battle. I know him: Suicide is 250 percent impossible. If he did not kill himself in the seventies and eighties, why do it now? He has a greater safety margin than Solzhenitsyn. Z. Gamsakhurdia's suicide would mean destroying with his own hands the cause of his entire life. I will never believe that he would throw down the drain such a wonderful opportunity as his own death.

I think that what is involved here is a design on the part of the Georgian and what remains of the Russian special services. Shevardnadze did not have a guarantee that if necessary Russia would not trade him for Zviad. Suicide is an elementary trick of special services, although in our country Pugo managed to put his gun on a night table after he killed himself, and Akhromeyev hung himself with a gun on hand.

What happened in Georgia is precisely what our dear friends in civilized Western countries advise us to do now. Gamsakhurdia followed their advice and... Western advice comes from incompetent and weak people. When they give us advice on economics, we should listen, because they are knowledgeable in this subject. However, with respect to our political affairs, the destiny of Russia, they will never understand anything. Russia's special road is a very sudden route of building a liberal society.

Russia was hurt most by the "wedding feast" in the Kremlin Palace of Congresses on election night. I cannot think of an adequate punishment for the organizers of this stupidity. One cannot sit down at the same table as fascists and communists. Because those who sit down with them later are sent to gas chambers. And in principle for a good reason—for cowardice, weakness, spinelessness, and lack of principles.

[Sargin] Was this not an attempt on the part of the current authority to reconcile with the new opposition?

[Novodvorskaya] There cannot be a reconciliation between reds and whites in Russia during civil war. We must win now and not think about the price. We have pulled the genie out of the bottle; now we have to learn to control it, because genies do not listen to the weak. In Russia they shoot exhausted horses; and in Russia people do not resign—they fade into oblivion.

REGIONAL AFFAIRS

Chuvash Republic President on Current Tasks, Federation

944F0273A Moscow TRUD in Russian 18 Jan 94 p 2

[Interview with Nikolay Fedorov, president of Chuvashia, by ITAR-TASS correspondent Valentina Ivanova, place and date not given: "Chuvashia Can Only Develop as a Part of Russia"]

[Text] Nikolay Fedorovich, 35-year-old former minister of justice of Russia elected president of Chuvashia at the end of December of last year, gives his first interview in his new position.

[Ivanova] Nikolay Vasilyevich, now we have behind us the fierce election campaign which crowned a two-year presidential marathor in Chuvashia. Now you stand one on one facing the urgent problems of the republic. On a purely human level, is it not somewhat fright ring to be taking on such an unbelievably heavy load?

[Fedorov] Why talk about this now? The choice has been made. By me—prior to entering the presidential marathon. And by the people of the republic—on election day. The president must bear this load proceeding from the fact that the stage of destruction of Russia has long since "passed" historically and it is time to shift over to construction. Secondly, we must not take more people hostage to the political and personal confrontation between these and those people. I have therefore accepted the post of president of Chuvashia and am proposing accord and professional compromise with all movements and social groups in the name of the survival of society.

[Ivanova] In your view, where are the greatest "sore points" in Chuvashia?

[Fedorov] There are very many of these, as there are throughout Russia. Sociological surveys show, however, that first place is occupied by the problem of crime and citizen safety. Here fate itself commands me—as a legal specialist—to get seriously and fundamentally involved in this business. It is a universal problem which would seem to be outside the realm of economics, but it is precisely here where matters involving corruption and the intricate processes of privatization, for example, come together, and everywhere we must see to it that the law and strict compliance with it stand paramount.

We will fight especially hard for the interests of our land's (both Russia and Chuvashia) commodity producers as they face foreign competitors. Chuvashia has traditionally been considered an agrarian republic, but in recent decades we have developed a powerful industry capable of competing on the world market in a number of items. We simply have to assist it appropriately by adjusting federal government policy through our initiatives.

Can it be considered normal, for example, that the Cheboksary Industrial Tractor Plant, built some time ago by the entire country, is almost idle due to problems with the marketing of the powerful steel machines, while Russia purchases American tractors, exporting Russian raw materials and obtaining credits from the West? I see my own responsibility in safeguarding from destruction the Cheboksary Tractor Plant, and the chemical sector, and the enterprises of instrument manufacture, electrical engineering, and machine building. This is task number one—and not just for the industry of Chuvashia itself. Protecting the competitiveness of the economy is extremely important for Russia's tomorrow as well, for its might and dignity as a great power.

Our plans call for attracting into the Chuvash economy—primaxily into its agrarian sector—both Russian and foreign invertments, in order to create joint enterprises with competitive technologies which yield swift returns in storing and processing agricultural output, more than half of which is presently being lost. One of the programs coming soon which will help the republic better carry out economic reform and enter the market more quickly is the beginning of construction, jointly with federal organs, of a modern road system and telephone network in the republic. The accomplishment of these tasks will also help us maintain job positions, push unemployment into the background, and hold on to individuals with unique specialties.

One additional "categorical imperative" for me is the protection of buildings and culture. We will put our material resources, minimal at present, primarily into the spiritual sphere, into education. And we will pursue this course even at the expense of certain tasks of the moment. I am convinced that these expenditures will tomorrow pay us back a hundredfold.

[Ivanova] But is the president able to handle all this? After all, he must act under conditions of a complex system of separation of powers, being guided by the Constitution of Chuvashia and the Russian Constitution.

[Fedorov] We will be able to resolve a great many problems if it is not the president governing what we do, but the law. Much depends also on the ability of politicians to view history in perspective, to reach agreement with their partners and avoid turning personal problems into political ones.

[Ivanova] Nikolay Vasilyevich, I cannot help but ask a question which was posed to you at meetings with voters during the presidential elections: Will the fact that you voluntarily resigned the post of minister of justice of Russia and seem to have come into conflict with the Russian president not have a negative effect on the Russian attitude towards the republic?

[Fedorov] My departure was a protest against illegal methods being used in the resolution of many state issues. And of course, this did not come easy for me. After all, I was completely preoccupied with the reforms, being the most "senior" in tenure, appointed four times in a row as minister of the Russian Government. What can you do? This kind of thing happens in politics too—Boris Nikolayevich and I split over what was permissible in politics and what was not. He and I have always had a frank and equal relationship on the purely human level, and it remains so today. Herein lies the value and worth of our mutual relations.

Something else says a great deal, I believe—the fact that he sent me a kind telegram, congratulating me upon having been elected the first president of Chuvashia and expressing the expectation of "constructive work together." So we should not be talking about any confrontation here. And with regard to questions of economic reform, and of strengthening the constitutional system and genuine federation in Russia, Boris Nikolayevich has my steadfast support.

[Ivanova] In other words, Chuvashia continues to be an entity of the Federation and has no intention of separating in any way?

[Fedorov] There can be no discussion in this regard. He who fights for separation will not resolve a single problem for his people, and will create thousands of new explosive problems instead. We must not turn national into nationalistic. I myself was born in a large Chuvash family and I proudly relate to this everywhere I go. We will continue to support national pride and dignity, continue to develop the culture and traditions of the Chuvash people. But in doing so we will not permit people of other nationalities to feel uncomfortable—this too is the political, legal, and moral responsibility of the president.

Chuvashia has a fine national custom: nime (mutual assistance, mutual support). We would like to revive and protect this custom. But I am confident we can only do so along the path of accord. I am convinced that Chuvashia can develop, can truly prosper, only if it is a part of Russia. Just as Russia remains strong by virtue of the power of republics, krays, and oblasts that comprise it, through the unity of their diversity.

Diamond Stock Exchange Founded in Yakutia 944F0266A Moscow SEGODNYA in Russian 11 Jan 94 p 13

[Report by INTERFAX: "Yakutia Will Establish a Diamond Exchange Before the End of January 1994"]

[Text] An edict on establishing a diamond exchange in Yakutia (a republic belonging to the Russian Federation in the northeastern part of Siberia) will be signed by President of the Republic Mikhail Nikolayev before the end of January. Vyacheslav Shtyrov, vice president of the republic and chairman of the Yakutia Government, informed INTERFAX of this.

In November 1993, the Yakutia Government and 16 producers of cut diamonds, jewelry, and tools in which diamonds are used agreed to set up a diamond exchange which, according to documents, is being established to "hold trading sessions, auctions, and wholesale and retail sale of products made of cuttable and industrial diamonds, precious metals and stones, and as a secondary market for the sale of rough diamonds." According to Pavel Andreyev, the president of the exchange who heads the republic association of exporters, Sakhaeksport, it is planned to hold the first session on the exchange, which will be located in the capital of the republic, Yakutsk, in February of this year.

Experts from Yakutia project that the volume of sales on the exchange in 1994 may come to \$50 million. It is planned to sell cut diamonds and jewelry worth \$15 million at the first trading session.

All diamonds for the first trading session will be manufactured by cutters especially brought in from Belgium, as well as from Kiev and Smolensk. They have been commissioned to manufacture up to 10 cut diamonds, the cost of each of which may reach \$1 million.

The Yakutia diamond exchange has been founded as a privately held joint-stock company with the statutory capital of I billion rubles [R] (the republic accounts for virtually the entire volume of diamond production in Russia). However, the initial statutory capital will be smaller by a factor of two—R500 million. This is due to the fact that most producers of diamonds, jewelry, and tools using industrial diamonds do not have sufficient financial resources at present.

According to Prime Minister Vasiliy Shtyrov, the delay in M. Nikolayev's edict (it was expected as early as the end of November 1993, after a meeting of the founders of the exchange—note by INTERFAX) has been caused by the desire to coordinate the actions with the international association of diamond exchanges. According to charter documents of the exchange, the Yakutia Government will receive 30 percent of the stock, the face value of which will come to 5 million rubles. The rest of the founders will hold 3 to 7 percent of the stock.

Dudayev Accuses Russia of Destabilizing Situation 944F0266B Moscow SEGODNYA in Russian 11 Jan 94 p 10

[Interview with Chechen Republic President Dzhokhar Dudayev by Vakhtang Dzhanashiya, under the rubric "Separatists"; place and date not given: "The Dark, the Secret, the Imperial... Dzhokhar Dudayev Unmasks the Culprits in All Troubles"]

[Text] [Dzhanashiya] Dzhokhar, the situation in Chechnya is very aggravated...

[Dudayev] We have operational data to the effect that the secret chancery has prepared a scenario that will unfold within days. Here, in Groznyy, they kill, slash, and bayonet, and do nothing else. We should make a choice: Either to lead the nations to rebuff any aggression that the personnel of the secret, dark imperial chancery are preparing or

surrender voluntarily into colonial slavery for yet another century. There is nothing in between in this instance. The supreme command of all special services, including the Armed Forces, and Yeltsin's team have developed a scenario for a blockade and stepped-up terrorism and subversion within Chechnya, with combat action beginning subsequently. There are some young gung-ho generals who are saying: "I will enter Chechnya!" However, they should be asked how they will withdraw. They have already entered Chechnya and Afghanistar many times, but they have withdrawn badly. They have withdrawn very badly.

[Dzhanashiya] With some justification, they are apprehensive about the "first shot" in Chechnya, where the blood-feud tradition is strong and there are many weapons.

[Dudayev] An assessment of the situation, a projection, an analysis, and a civic position—and in this case, there should be no shooting, no woes, and no tears. This is the strongest weapon of the time. Moscow is stuffing all republics of the Caucasus with weapons on all pretexts for subversion and for fueling wars. Later, disinformation is spread to the effect that the weapons came from Chechnya, as if they were produced here rather than in Russia. Chechnya itself fights the importation of weapons, fights thousands of units of weapons, drugs, and funds. These weapons are being spread in precisely the same manner throughout the Caucasuseverybody is being stuffed with nuclear charges. The secret chancery is perfecting the fueling of enmity between peoples along national, territorial, ethnic, cultural, and spiritual lines. There will be no mercy, just as there has been none to date. The last aggressive forces of the imperial chancery have put everything at stake to maintain totalitarianism at any price, to break the will of democracy for a normal life among the nations in this imperfect world by the methods of intimidation, physical violence, terror, subversion, and provocations. This is my position, and may the Aimighty grant us that everything will be brighter then I expect.

[Dzhanashiya] Do you have specific, substantiated complaints about the leadership of Russia?

[Dudayev] We should grasp clearly that methods used by the so-called "new democratic forces" are so sophisticated and perfidious that the mentality of a Soviet man is not prepared for them. When Yeltsin and his team fought the empire of the USSR, all nations of the Caucasus, and not just the Caucasus, supported these endeavors. This is how democracy won. The nations of the Caucasus stood in the same ranks with democracy, and many manned the barricades. It was a most profound delusion that days of a democratic thaw would come as soon as the Supreme Soviet, which was so easily and simply shot up, became a thing of the past. It turns out that a draft of the new constitution, new farfetched elections were being prepared in the dark offices contrary to all common sense and laws of human community. These elections are not legitimate in any way based on a multitude of attributes of international law, absolutely not legitimate. Their objective is simple: to suppress the will of Caucasians through the force of physical pressure so that they will obey the dictatorship of power of the new empire. It is no accident that a few days ago a film about the training of the internal troops was shown on TV in which it was

blasphemously announced that these guys had been in Khodzhaly, Tajikistan, and Ingushetia. There were the same painted mugs, the same bad element, the same brutal faces covered from the camera, the same scenario. We should decide: either civil courage, or slavery; and we should make this decision in the most severe times of provocations, subversion, and terror on an immense scale, emanating from the secret black chancery of the former empire. This chancery has no intention of sparing the nations, including the Russian, in order to once again throw the people on their knees at any price, and onto the path of a totalitarian regime in a new cycle of so-called democracy. I will venture to assure you—no mercy will be shown. Such are the realities.

[Dzhanashiya] Do you have specific constructive proposals for improving relations with Russia?

[Dudayev] My specific proposals are outlined in the book Thorny Path to Freedom, which has been published. The main point is the recognition of the independence of Chechnya.

[Dzhanashiya] What is your attitude toward the CNC [Confederation of the Nations of the Caucasus]?

[Dudayev] This is the only force that has stabilized the situation in the entire Caucasus to some degree, and I attach great hopes to it. I raised at a CNC congress the issue of granting the status of Supreme Soviet deputies of their republics to members of the CNC parliament in the republics of Northern Caucasus.

[Dzhanashiya] Most nations of the CNC are in favor of staying within Russia. At the same time, you are resolutely fighting for independence. Is there not a contradiction?

[Dudayev] Oh no. The expression of the will of the people should be the foundation. If a ation wants to belong to Russia—Godspeed! If the Checaens do not want to, there should be "Godspeed" too! However, it is very hard to be together with the current Russia, in which subversion, terrorism, and provocation have been elevated to the rank of a state policy. I do not know who voluntarily wants to go there, into such a Russia. Let Russia achieve legitimacy and democratic legal institutions, let it become capable of respecting its own laws, primarily within itself, and later it will be possible to conduct a dialogue with it concerning mutual relations.

[Dzhanashiya] To your mind, what are the prospects for the development of the Caucasus situation?

[Dudayev] The Caucasus is, after all, the oldest civilization on the globe in the last 50 million years. The civilization of the future should belong to it. It is precisely the nations of the Caucasus that have preserved the ages-old traditious of morality, spirituality, humanity, philanthropy, tactfulness, and intellect. The Almighty is preserving this genetic pool in order to regulate normal relations in the future. The stimulator of mutual relations for the world is here, in the Caucasus. All of this through freedom. Freedom is the loftiest possession of man.

Moscow City Government's 1994 Program 944F0274A Moscow MOSKOVSKAYA PRAVDA in Russian 6 Jan 94 pp 1-2

["Program of the Government of Moscow for 1994"]
[Text]

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The government of Moscow notes that as a whole the tasks defined by the program for 1993 were resolved successfully.

The main systems of the city administration worked in a stable manner (power industry, transport, water supply, and housing and municipal services).

Sufficiently high investment activity and volume of housing and social-cultural construction were continued in the city. Housing area input totaled 3 million square meters, and 25 schools, two elementary class units, 27 kindergartens, 15 polyclinics, and five hospital buildings were put into operation, 68 stores and 218 public catering establishments were built and have started to function, 12 hothouses were put into operation in the sovkhoz of the Moscow Soviet, the Palace of Justice building was built, and the crackers plant was put into operation.

Moscow celebrated Victory Day on Poklonnaya Hill, where the first section of the memorial complex was built.

The Kazanskiy Cathedral was reconstructed on Red Square in 1993.

Construction began on the center of the city, where more than \$00,000 square meters of buildings were put into operation.

The volume of capital repair of roads, which totaled 18.5 million square meters, was overfulfilled by 23.3 percent.

Major repairs were accomplished on 2.0 million square meters of living space, and the volume of construction and reconstruction of engineering networks increased.

Social protection of Muscovites was a subject of special attention on the part of the Government of Moscow. In accordance with a special purpose program, various types of social assistance were provided to 3,614,500 persons. This is every third Muscovite.

On the whole in the last year more than 92 billion rubles [R] was expended for these purposes (of this amount, R62 billion came from the budgetary resources of the city).

The largest sums were directed to differential supplementary pension payments to nonworking pensioners—R25 billion, and to food subsidies for pupils of grades 1-11 at Moscow schools—R15 billion.

During the year, expenditures on the conduct of sanitary measures with children increased substantially in comparison with the initial proposals, totaling more than R7 hillion.

Assistance unprecedented in scale was rendered in 1993 to organs of internal affairs. More than R45 billion and \$8 million were expended on reinforcing the material base of the militia and fitting it out with modern equipment.

Thirty-seven facilities were built, including 21 militia offices, which makes it possible to require that personnel of the GUVD [Main Administration of Internal Affa rs] make qualitative changes regarding the fight against crime and control over public order.

Economic reforms were conducted more actively than in 1992. The share of nonstate enterprises at present totals more than 85 percent in trade turnover and motor vehicle freight shipments, in construction—more than 90 percent, and in industrial production—50 percent.

With all the complexities of the budgetary-financial situation, the Government of Moscow financed all the measures planned in the 1993 program.

11.

The conditions for the development of the economy of the city and the functioning of city services will be more complicated in 1994. The economic crisis and drop in production continue, and inflation is being maintained at a high rate. However, the Government of Moscow believes that the city has a stable system of administration, resources, and reserves for continuing and developing positive trends, stabilizing the city's economy, and resolving worthwhile socioeconomic tasks.

The measures outlined by the program of the government of Moscow for 1994 are directed to this end.

III.

In the social sphere, the government intends:

- —to develop the system existing in the city for social support of the low income strata of the population by indexing, in accordance with inflation, the scales of allowances for pensioners, students, and children, and subsidies for food and medicine in schools, preschool institutions, and hospitals. It is planned to increase the share of the budget allocated for these purposes by a factor of 1.5;
- —to assign 1.3 million square meters of housing area in new home construction sites for the free improvement of housing conditions for those on waiting lists in prefectures and the city administration;
- —starting 1 January 1994, to begin the conversion of city health services to the principles of budgetary-insurance medicine on the basis of the medical insurance fund established in 1993. At the same time, to increase expenditures on the maintenance of medical institutions.
- —to develop the prejected trend in reducing the gap in the wages of workers in public education, health services, and other branches of the city economy;
- —to continue the policy on rendering financial support to cultural institutions and also implement a program for the restoration and reconstruction of the Bolshoy Theater, the State Fine Arts Museum, the Russian State Library, the Tretyakovskaya Gallery, and the Victory Monument on Poklonnaya Hill;

- —to render every kind of support to law enforcement organs in the fight against crime and continue implementation of the program for the development of their material base and technical equipping;
- —despite the significant increase in expenditures and reductions in budget capabilities, to continue subsidizing a large part of the costs of the operation of the housing fund, passenger transport, and municipal services.

IV.

In the Investment complex, provision is made to ensure continuation of the scope of housing construction and also social facilities and engineering infrastructure associated with it. Three million square meters of housing area, 20 schools, 25 kindergartens, 11 polyclinics, and three hospital buildings will be built.

Work will be continued on reconstruction of the center of the city, where it is planned to erect a building with a total area of 1.5 million square meters, including 200,000 square meters of residences.

It is planned to continue reconstruction of the buildings of the Moscow Kremlin, construction of a business center on Stankevich Street, reconstruction of Manezhe Square and buildings of the Manege with the organization of an underground space, a multifunctional business center on Tverskays-Yamskaya Street, and reconstruction of Stoleshnik Lane and zoo facilities.

Construction will be continued on new subway lines.

In the first half of the year, the Bibirevo-Altufyevskaya line will be put into operation, and construction of the Lublinskaya and Mitinskaya lines will be accelerated.

For the purpose of increasing the amount of telephone numbers and improving the quality of telephone communications, it is planned to build four ATS [automatic telephone exchange] buildings in the Central, Southeastern, Western, and Southwestern administrative districts.

To finance the investment program under conditions of an acute shortage of budgetary resources the government intends to expand the use of nonbudgetary sources. For these purposes there will be continuation of the practice of selling at investment auctions parts of newly built housing areas, "anfinished" sites, and also trade and everyday service facilities whose construction has been completed.

For the purpose of reducing the periods and lowering the cost of housing construction, competitions will be conducted between contracting organizations for the right to perform the work.

The government is actively starting to implement the concepts of the administrative districts to replace obsolete housing assets at the expense of investor resources, first of all five-story buildings.

v

The government believes that an increase in the reliability of the life support systems of the city is the paramount task of municipal services. For this purpose, it is planned:

- —to increase the volume of major housing repairs and complete up to 2.5 million square meters (including 0.5 at the expense of investor resources);
- -to increase the volume of major and routine road repairs, and to complete up to 20 million square meters;
- —to conduct repair, reorganization, and reconstruction of engineering networks;

heating system350	kilometers
central heating centers	300 units
waterline system89	kilometers
sewer system93	kilometers
gas system100	kilometers
streetcar lines70	kilometers

—to acquire not less than 680 units of rolling stock for the system of overland passenger service.

In the consumer market sphere the government plans to support the ongoing system of providing incentives for delivery of basic food products to the city, to strengthen direct ties with regional producers of agricultural products, and to switch to a system of contracts with wholesale suppliers of foodstuffs.

Through its tax, credit, and investment policy, the government intends to promote stabilization and a reduction in Moscow's industrial slump. The food industry, the production of building materials and building structures, and the production of consumer goods will remain priorities. Economic incentives will be implemented to attract nonstate investors to these branches.

The fund for support of small business will be used to stimulate small business, first and foremost that which produces goods and services for the population.

It is planned to continue implementation of the city program "Conversion," shifting emphasis to financing the preparation of production of machines and instruments developed in the defense complex of the city of Moscow for municipal services.

VI.

The government will strive in 1994 to make changes in the conditions of privatization of state enterprises so that privatization will promote an increase in the efficiency of production, improvement in the efficiency of services to the population, and attraction of additional resources for stabilization of the economy and the reconstruction of production.

The Gcvernment of Moscow also intends to actively use its right to retain for itself part of the package of shares of stock (including "gold" shares) of enterprises being privatized that are most important to the city.

In the sphere of lease relations and land payments, a complex of measures has been outlined to increase the profitability of these budget articles.

In the sphere of tax policy and the budget process, it is planned to prepare a number of legislative initiatives aimed at reducing taxes on profits and increasing taxes on real estate and resources, and also at achieving more just proportions of distribution of city and federal incomes and expenditures.

In the sphere of improving administration, it is planned to continue the policy for further optimization of the distribution of functions between city and territorial organs of administration for the purpose of reducing the share of administrative decisions on the part of the government.

It is planned to develop and conduct measures for the development of local public self-government.

VII.

In adopting this program, the Government of Moscow believes that in the course of its implementation there must be a continuous search for reserves to improve city development indicators, first and foremost in the resolution of social tasks.

The Government of Moscow, realizing that successful implementation of the program in many ways depends on the formation of the income part of the city budget, calls on the Government of Russia to make decisions within its power on immediate support of the economy of Moscow through deductions from taxes being paid by administrative systems on the territory of the city and also payment in full of subventions for the performance of capital functions.

Taking into account the preparations for the celebration of the 850th anniversary of Moscow, a special program has been adopted as a supplement to the government's annual program.

In the interests of the prosperity of the capital of Russia-Moscow—and the well-being of its residents, and in the interests of social peace, the Government of Moscow calls on trade union organizations and social movements, positical parties and blocs, entrepreneurs—everyone who holds a position of creativity and stability in society—to cooperate.

Sobchak Dissolves City Soviet 944F0269A Moscow OBSHCHAYA GAZETA in Russian 1-7 Jan 94 p 7

Article by Igor Arkhipov, observer of the weekly CHAS PIK, for OBSHCHAYA GAZETA: "Sobchak Has Given It to the St. Petersburg Soviet Via Moscow"]

[Text] A long-standing dream of the mayor of St. Petersburg has, finally, come true—the St. Petersburg Soviet has been disselved. Annually Sobchak now governe the city singlehandedly.

In St. Petersburg, the essence of the opposition of the representative and executive authorities, which went as far as the surprise conflict of Aleksandr Belyayev and Anatoliy Sobchak, amounted by no means to the question of whether new soviet elections were necessary. The problem lay elsewhere—who would draw up the statutes governing the municipal authorities and elections. The deputies feared

that were the initiative to pass to the mayoralty, the successor of Soviet power in Petersburg could be a "pocket" city duma, which would not be permitted to control the administration.

On the final day of the city soviet's existence, 22 December, the deputies displayed miracles of efficiency, adopting within 90 minutes, practically without time-outs for debate, their rules of the game. In accordance with these, the city was to have a council consisting of 124 deputies working on a professional basis. This figure was unexpectedly deduced by the Democratic Russia deputy Vasyutochkin on the basis of mathematical calculations, modern management theory, and world experience (in accordance with his system of methods, incidentally, the duma in Moscow should consist not of 35, but of almost 200 deputies). The mayoralty took this as an insult. In addition, the council acquired the right to appoint and dismiss senior functionaries of the administration and express no confidence in it, dismiss (following a court ruling) the mayor himself, even, and conduct a referendum in the city!

When the deputies' intentions became clear, the edict, signed by the president, "Reform of the Organs of State Power of the City of St. Petersburg" appeared. It was no secret that the author of this edict was none other than Anatoliy Sobchak. The mayor took account of his recent gaffe: He had at the end of November attempted to eliminate the Inner Council by his directive and was accused of having broken the law and of having appropriated the prerogatives of the president. This time, Anatoliy Aleksandrovich resolved not to ignore the chief of state.

The St. Petersburg situation is an example of how the model of behavior adopted by the federal executive, forcing the structural reorganization of the political system of the state, is being carried over to the regional level. The impatience with the statutes being prepared by the Petersburg Soviet on a reform of the authorities was reminiscent of the charges leveled at the Congress of preparation of a constitution "for itself." The mayor's presentation of his version of a municipal "constitution," on the other hand, is proving to be analogous to the "phased constitutional reform."

St. Petersburg's mayor has now for certain reasons been forced to show that he is no less royal than the king. In the course of the parliamentary elections, Sobckak involuntarily criticized Yeltsin and Russia's Choice, imitating the "constructive opposition" (Mikhail Poltoranin, who showed up in St. Petersburg two days prior to the elections, discovered with horror that "the city is headed by an opponent of the Constitution"!). After the defeat of the Russian Democratic Reform Movement, which obtained in St. Petersburg only 8.66 percent, and after the local "Democratic Russians" ostracized Sobchak as a "splitter" of the democratic movement, the mayor had by way of moral and political rehabilitation to demonstrate his "decisiveness." More precisely, concern himself with avoiding early elections and become, essentially, "president" of St. Petersburg.

The town governor is now not only head of the executive in the city, but also "arbiter." "Arbiter," what is more, between himself (that is, the administration) and the City Assembly. The representative authority is generously endowed with truly sham functions—50 deputies working on a part-time basis, meeting once a week, have the right to vote on the budget proposed by the mayoralty and stamp the mayor's directives; a two-thirds vote is needed to override his "veto." The "Statute on the System of the Organs of State Power" proposed by Sobchak, which Yeltsin approved as a supplement to the edict, was drawn up with a manifest claim to parody. The deputies' draft, for example, had contained the following provision: If the Council has rejected the candidacy of an official, the mayoralty may not offer it for a second time within six months. In Sobchak's version, this appears as follows: Following a lack of confidence expressed in an official by the deputies, the mayor may retain him "in a personal capacity," and the City Assembly is not entitled to return to this matter for six months!

Aleksandr Belyayev, chairman of the St. Petersburg Soviet and now a deputy of the Federation Council, reacted negatively to the recent initiatives of the executive and even promised on behalf of the deputies to bring an action against the president in the Supreme Court. Belyayev believes that a city assembly working on a "volunteer besis" would, most likely, be formed from government officials. His forecast seems more convincing to many people than the mayor's claims that such a reform does not signify a return to the soviets of the times of the CPSU but a resurrection of the traditions of the pre-revolution city duma, with class representation.

The position of Aleksandr Belyayev, incidentally, who has traditionally been inclined to leave himself room for maneuver, has been distinguished by a firm consistency as of late. Belyayev condemned many representatives of Russia's Choice for political extremism, warning: "If the 'Choice' continues the policy of procedural stunts, during preparation of the work of the Federal Assembly included, and to fan hysteria over Zhirinovskiy, an effective majority against the 'Choice' and the Liberal Democratic Party as extremes will take shape"....

INTERNATIONAL AFFAIRS

Lukin Assesses Clinton Moscow Visit 944K0611A Moscow LITERATURNAYA GAZETA in Russian No 3, 19 Jan 94 p 9

[Interview with Vladimir Lukin, Russian ambassador to the United States, by Denis Molchanov; place and date not given: "Fate Leads Those Who Agree With It, and Drags Along Those Who Do Not: Russia's Ambassador to the United States Vladimir Lukin Appraises the Results of President Bill Clinton's Visit to Moscow"]

[Text] [Molchanov] Vladimir Petrovich, do you agree that for the first time in a long while a Russian-American summit did not result in us giving up positions in some or other area of national interests?

[Lukin] I would appraise this visit as a success. And its results as normal, predictable, and even inevitable.

Of the entire package. If documents signed, I would single out first and foremost the trilateral agreement on nuclear arms in Ukraine. Even taking into consideration the difficult political situation in that country, I think that President Kravchuk's actions will be met with understanding on the part of both the Ukrainian people and its parliament. So I believe that the agreement will be ratified by Kiev. As a last resort, history knows some instances when documents signed by presidents but never ratified by a legislative body of that country still were observed (for instance, the SALT treaty proposed by Jimmy Carter but rejected by the U.S. Congress).

Another important event is the agreement on uranium. The American bureaucracy is one of the most talented in the world, and the fact that this agreement was pushed through is an unquestionable success of our diplomacy. In other words, the American market is being gradually opened for us. too.

Another one—the Moscow Declaration. A statement aimed at a mature partnership without illusions. Practically for the first time we are saying that we can cooperate as equals in areas of mutual interest.

[Molchanov] Does this mean that Russia finally has shed the demeaning image of "Mr. Yes" it has acquired over the past few years?

[Lukin] I would even say that this was a "Mrs. Yes" image. In our desire to follow other people's advice, we went too far. Today there is an indication of a return to the normal practice of international relations. Some call it the "old mentality," some—"new thinking..." I believe that there can only be right and wrong thinking.

The right thinking now is letting our neighbors that Russia is an elephant, not a yapping lapdog, and it should not be barked at as some do. Difficult times happen in the history of any country, when it suddenly finds itself at a crossroads. Our choice is a democratic civilized society, ready for full-fledged cooperation with its partners on an equal footing. Yes, we do have problems, but Russia is a great power, and it will resolve them.

President Clinton showed sensitivity and tact in his grasp of our problems. And this is another important result of his visit.

Clinton's Approach to Foreign Affairs Assessed 944Q0136A Moscow SEGODNYA in Russian 12 Jan 94 p 3

[Article by Viktor Kalashnikov and Marina Kalashnikova: "Russia as a Mirror of the American Revolution: Bush's Legacy and Cliaton's Reform Ambitions"]

[Text] There has always been for the Russian observer an element of the onigmatic in the actions and fate of American presidents. An anxious looking back at their domestic concerns has arison every now and then behind the natural and understandable great-power character of their foreign policy. Soviet propaganda with its anti-effectiveness did much to contribute to intra-American problems being perceived with us ultimately as contrived. All the more odd and implantible

did it seem that omnipotent occupants of the White House were after triumphs in the world arena deprived of office on account of discrepancies in budget accounting and insufficient concern for the "needy strata" or following the discovery of a "bug" in the headquarters of political opponents.

President Learning on the Job

In this sense Bill Clinton is a complete enigma. Barely having assumed office, he made his wife and himself hostage to a very risky broad-based reform of health care (the point at issue is the introduction of uniform medical insurance and general preventive medical examination). Major programs for upgrading the system of education, improving highways and communications, and combating crime and unemployment are in the offing. There will hardly be sufficient time for tangible returns from such designs before the next elections. On the other hand, like any major restructuring, they promise at the first stage higher taxes, the resistance of the bureaucracy, and immense and daily organizational problems.

Clinton has dealt in highly distinctive fashion with the groundwork in the creation of a "new world order" inherited from Bush. Instead of digging in on the Somalia beachhead and introducing "law and order" on Haiti on the basis of the experience of Desert Storm and the intervention in Panama in 1989, he has in fact left these situations to their inner logic. The lowering of the plank of losses and risk to which the United States might now accede in "crisis regions" has been demonstrated to the world. It will be more difficult after this to count on the unquestioning loyalty of the allies and the sincere partnership of UN leaders.

True, a simplified version of the former global ideas geared to countering the proliferation of weapons of mass destruction has recently been released. But this concept also will, most likely, be advanced without any particular energy in view of the quite exotic counteralliances (like that of Pakistan and North Korea) between "threshold" states which have already emerged.

On the whole, the geopolitical takeoff run of previous U.S. administrations is not today switching to ascent thrust. The words of Helmut Schmidt of two years ago: "Some people today take America to be the sole superpower. I consider this a delusion or, at least, an exaggeration; in a few years this euphoria will disappear," are being confirmed, evidently.

The capacity of the President and his team for maneuver and their readiness for the necessary tactical retreats merit attention under such conditions. Clinton is avoiding drastic steps with unpredictable consequences. This reflects both his recognition of the imperfection of methods that were effective 18 months ago even and more profound factors.

It Is a Good Thing That There Is a Zhirinovskiy

Inasmuch as there is more freedom, as distinct from democracy, in Russia than in America, radicals are the main ones engaged in earnest in ascertaining the potential of discontent. Within the framework of election and other political campaigns they at their expense bring to the surface the scale of rejection of the authorities by the populace and

identify the real reserve of strength of the system. The simple and inexpensive indicator of social tension operates in good time.

In the United States there are costly means of ascertaining and suppressing the radicals themselves. For this reason the authorities have to rely more on the estimates of research services, intuition, and the criticism of respectable political opponents. All the more unexpected are instances where the seals and valves on the American social boiler fail, and one can see for oneself the real tension brewing within.

The two days of disturbances in Los Angeles, the second biggest city of the United States, in 1992 cost 53 lines and half a billion dollars' worth of physical damage. TIME Magazine, which is not usually given to socioeconomic determinism, acknowledged a year later that it was a question of unemployment, which in the "black" neighborhoods amounted to 50 percent, the catastrophic shortage of funds for social needs, and the fact that the poverty level was in places higher than the indicator of 1965—the time of the previous large-scale unrest. Nor did TIME overlook the consequences of the drastic cutback in military production: this was the reason for the loss of over 150,000 jobs in the city. And the ethnic clashes and the violence, which got out of control, should be seen merely as a consequence of these circumstances. The gangs operating in the city have up to 130,000 combatants "under arms." For comparison: The United States intends to leave approximately as many in Europe to maintain the "balance of forces."

The events in Los Angeles were a kind of apotheosis of the preceding decade marked by Reaganomics, an arms buildup, the show and use of force, and the victorious conclusion of the cold war. The social results of this policy are as follows: In 1979 some 19 percent of wage workers doing a full day's work received wages below the poverty criter..., at the start of the 1990's the proportion of these was in excess of 25 percent. Real wages declined constantly and the gap between the rich and poor groups of society grew in these same years. According to Harvard economist Richard Freeman, "the United States is evidently developing in the direction of a 'class-based society' of the type that exists in Latin America, with severely uneven income and unstable governments."

While drawing a distinction between social processes and econometric statistics, many American experts affirm that poverty under the present conditions could grow even with an increase in production. According to FORTUNE Magazine, what is frightening for millions of Americans is not the loss of their jobs themselves but "being condemned to work their whole lives without hope of achieving an acceptable living standard." In fact, it is in all this that the budget deficit and national debt which are being debated on Capitol Hill are manifested. In the figurative comparison of the well-known Russian America specialist V.S. Vasilyev, the national debt of the United States today (more than \$4.5 trillion) is reminiscent of a vast man-made lake, which is at maximum potential being contained in the foundation area by a dam in the shape of the top federal leadership. The main component of the dam is the Bill Clinton administration. It is forced to constantly replenish this bottomless

"lake," aware of the growing and almost irreversible threat to an economy situated in a "valley." Under these conditions it is excited less and less by overseas adventures or the ambitions of the "new democracies."

The Fail of the 'Iron Curtain' Has Separated Russia and the United States Even More

The level of geopolitical confrontation with Russia has been reduced, it would seem, to warnings against the suppression of its own democracy and half-hints at the undesirability of an undermining of the sovereignty of its CIS partners. For many people in Russia this serves as the best proof of the insidiousness of Washington's new policy. Some people simply cannot endure the absence of the former two-dimensional reference points: "We will not, they say, let the Poles, Czecha, and Hungarians into NATO, Russia must not be isolated." The response of the former enemy surprisingly does not contain an ultimatum: "Nor do we intend admitting them, particularly against your wishes. This is for us a secondary issue, and we will not cause any aggravation for the sake of it. You yourselves wanted to join, for that matter, as we recall?"

The winding down of the entire zone of military rivalry, where the bulk of the contacts and mutual attention between the United States and Russia was in fact concentrated, is objectively reducing the overall extent of their relations and the degree of urgent interest in one another. Inasmuch as bilateral economic, scientific, and cultural relations between them remain negligible, the contours of the United States on the horizon of the Russian world perception are being eroded, as it were. By virtue of the decline in the significance of the Russian and American military arsenals, the immense socioeconomic gap is now at the forefront as the measure of comparison: by a factor of six in terms of GNP, by a factor of 10 in terms of inhabitants' car ownership, and so forth. All this is perceived and is essentially a giant barrier, which, as it might seem, has separated our countries forever. We are moving further away from one another in our national priorities. We should at least avoid losing an adequate understanding of the problems and aspirations of the other side.

How Might the Former Rivals Help One Another

Russians were for a long time raised in fear of the well-nigh invulnerable transatlantic monster. Today the domestic media are steeped in an inordinate piety in respect to American power and its boundlessness. In actual fact, the emphasis on constant economic growth and the military rivalry have thoroughly undermined this power. The greatest damage has been done to the social sphere, where a significant charge of instability and conflicts has arisen. A recognition of the seriousness of the accumulated socioeconomic problems is prompting President Clinton toward a serious modernization of American policy not only overseas but primarily within the country. His main role at the present stage of the development of the United States consists of this attempt, possibly.

There are certain parallels between the domestic condition of the United States and Russia. If it is true that the less developed countries see the foremost countries as their

futu.c, it is just as true that the problems of the foremost have become particularly serious in the less developed countries. The factors of instability in Russia could be manifested in the very near future in the United States also.

The United States is not in a position to render Russia significant economic assistance, and Russia will hardly in the foreseeable future become an equal partner for America. But they could help one another, exchanging models and experience of the accomplishment of specific tasks, primarily in the sphere of an improvement in people's living conditions. It is obvious that an intensive accumulation of such experience has already begun in the United States under the leadership of Bill Clinton. Moscow would be making a big mistake were it to underestimate this aspect of the American President's activity. Washington's new policy could be an important reference point and opportunity for Russia, if the depth and similarity of many American and Russian problems are recognized.

'Substantive' Results of Summit With U.S. 944Q0138A Moscow ROSSIYA in Russian No 3, 19-25 Jan 94 (signed to press 18 Jan 94) pp 1-2

[Article by Sergey Ostrovskiy: "Is Optimism Justified?"]

[Excerpts] The man in the street is bured with meetings of "giants." Today a summit like the one in Moscow is not likely to evoke the almost hysterical excitement of journalists which relatively recently marked the negotiations of the leaders of Russia (or the USSR) and the United States.

Although the problems discussed are no less significant. Take, for example, the decision that the strategic missiles of Russia and America will no longer be aimed at any specific target. In essence this means that both powers in practice have rejected the possibility of launching a preventive nuclear strike. Can you really not call this a true breakthrough in the area of international security?! [passage omitted]

In my view, the Russian audience did not get much food for thought about the content of the Moscow summit. At least if one is to judge from the newspaper reports. The American public, on the contrary, as always, had no shortage of commentary from qualified specialists. The majority of them confidently anticipated the agenda, which consisted of three main points, including recommending economic aid to Russia, the problem of nuclear weapons, and expansion of NATO. The only variations were in the degree of attention which, in their opinion, would be paid to one issue or another. I decided to compare the opinion of American international affairs specialists with the viewpoints of their Russian colleagues. One of them, and a fairly well-informed and extremely experienced one at that, suggested these topics (in order of importance): discussion of the American vision of partnership relations with Russia, a comparison (and for the Kremlin also a definition) of the national and vitally important interests of the two countries, a clarification of the understanding of the role of Russia in the CIS, problems related to NATO, and, finally, questions of disarmament.

As we can see, the preliminary assessments of the experts are extremely similar to one another and do not differ greatly from the actual agenda in its generally accepted form. But still I will risk making a prediction which, in Russia at least, has not been given constant attention. When speaking about the fact that Bill Clinton made a visit to Moscow one should not forget that the Russian capital was not the only point on his route. The American President's tour was European and involved various aspects of ensuring the security of primarily the United States. It would seem that this is the perspective from which one should consider the negotiations between Yeltsin and Clinton if one wants to understand the logic of the behavior and approaches of the American President.

Clinton's European trip came at a fairly critical moment. Literally a couple of days before his departure from Washington they announced the completion of the work on the adjustment of the White House's foreign political course. After not very successful attempts at leadership in resolving regional conflicts, the American administration was to have proposed to a nation accustomed to world leadership an updated strategy and tactics for actions in the international arena. Hardly anyone would argue with the idea that the world has changed recently. The problem is to determine how the world has changed. So far these changes have not been detected precisely enough in the United States, since they have too many of all kinds of misfires and blunders.

Nonetheless Bill Clinton, like any other descendent of the conquerors of the Wild West, does not want to show weakness. Therefore he has made every effort to push through his program "Partnership for Peace" and stem the tide of the growing new antagonism between West and East, on the one hand, and, on the other, retain his influence in NATO, which is in need of reconstruction and is getting out of control. The master of the White House also had to respond to attacks from Republicans, who were accusing him of political shortsightedness with respect to the turns of events in Russia. The reception arranged for representatives of various political parties in Spaso House was to have confirmed the postulate that Clinton is able to learn from his mistakes. And the fact that Zhirinovskiy was not on the guest list meant that the strong America had no intention of concealing its sympathies when the fate of democracy was being decided in Russia. And then the economic aspect of the negotiations in the Kremlin, including in the trilateral agreement on the elimination of nuclear weapons in Ukraine, may be regarded as a kind of attempt to "buy them off." It is clear and quite understandable that the American government had no intention of sliding into the Russian economic quagmire. But, on the other hand, it is impossible to view the entire world from on high; sometimes it is necessary to descend to earth to get a point of reference.

For President Yeltsin the meeting with his colleague from the United States in his home represented a truly unique opportunity to demonstrate the stability of his position and loudly demand equal rights—if only officially—in bilateral relations and joint actions. This position, as certain observers have noted, reflects the real state of affairs much more than narcissism and self-glorification do. Nonetheless it is still not altogether clear whether Russia will succeed in gaining real equal rights in partnership with the United States, which, at the concluding news conference, Boris Nikolayevich discussed with a sly expression on his face, apparently intending to convince those in attendance once and for all.

In spite of the assessments contained in certain commentaries to the effect that the Moscow negotiations were unproductive, one should avoid an extremely pessimistic or excessively optimistic perception of the results of the meeting of Presidents Yeltsin and Clinton. Judging from the number of agreements signed, the pessimists are right. If one were to try to interpret the hour's delay of the concluding news conference as related to the "unplanned conversation" of the leaders of Russia and the United States, optimism is justified. It would seem that the presidents could have achieved impressive results in Moscow. The question is one of how correctly they dispose of these fruits.

1992, 1993 Export, Import Figures Compared 944Q0127A Moscow SEGODNYA in Russian 30 Dec 93 p 11

[Economic report by the Center for Economic and Business Conditions of the Russian Federation Government: "On the Commodity Structure of Exports and Imports"]

[Text] The Center for Economic and Business Conditions of the Council of Ministers—Government of the Russian Federation has used official reporting data from state statistics organs to conduct an analysis of the dynamics of the physical and cost indices of exports and imports of the most important commodities in Russia's foreign trade turnover with the states of the far abroad for the period January-October 1993.

It follows from the analysis conducted that in comparison with the period January-October 1992:

- —exports, amounting to \$31.4 billion, were maintained on the level of the same period of 1992, this basically due to the influence of extensive factors;
- -an increase in export production was observed in:
- -ferrous metallurgy-by \$1.34 billion;
- —timber, woodworking, and pulp and paper industry—by \$0.37 billion;
- -fresh and frozen fish-by \$0.2 billion;
- —a reduction took place at the same time in the export production of:
- -the fuel and energy complex-by \$0.7 billion;
- -uncut diamonds -by \$0.66 billion;
- -machine building-by \$0.47 billion;
- -chemicals and petrochemicals-by \$0.16 billion;
- -nonferrous metallurgy-by \$0.16 billion;
- —imports, amounting to \$15.5 billion, decreased by almost 46 percent, 3 percent more than for January-September 1993:

- —in absolute terms, the reduction in imports came to \$13.2 billion;
- proportion of the total reduction in imports attributable to specific commodity groups:
- -machinery and equipment-45.4 percent;
- -foodstuffs-28.1 percent;
- -nonfood consumer products-10.2 percent;
- -medicines-5.1 percent;
- -other products-11.2 percent.

EXPORTS

Production in the Fuel and Energy Complex

A weak but steady trend toward diminished percentages of commodities representing fuel and energy production output was observed in 1993. Thus, in January-August of 1993, this index amounted to 53.2 percent; in January-September it was 52.7 percent; and in January-October it was 52 percent, approximately 2 percent lower than the levels seen for the same period of 1992.

Aggregate deliveries of fuel and energy complex output in physical terms (taking into account gas converted to standard tonnes) increased by 23 percent in January-October 1993 as compared with the same period of 1992, at the same time that hard currency proceeds decreased by 4.1 percent. The total reduction in export production output in the fuel and energy complex from the level of January-October 1992 amounted to \$695 million.

Oil shipments in January-October 1993 increased 30 percent over the level of the same period of 1992. The contract price for oil over this period was established at the level of \$105.10 per tonne, 18.9 percent lower than the January-October 1992 price. The rate of decrease of contract prices for oil in 1993 correspond to the price decrease rates on the world market. In spite of the increased volumes of oil shipments due to the drop in contract prices, hard currency proceeds increased by just 5.8 percent.

The rate of increase in deliveries of oil products (in physical terms) continues to grow. In January-August 1993, as compared with the same period of 1992, this rate comprised 36.8 percent, in January-September it was 40.7 percent, and in January-October—45.2 percent. While the average weighted contract price in January-October 1993 amounted to just \$95.70 per tonne, having decreased by 42.4 percent from the level of the same period in 1992. As compared with the contract price level for January-September 1993, the January-October price was reduced by another \$7.50.

In this manner, the average weighted cost of a tonne of oil products in 1993 was almost \$10 lower than the cost of a tonne of crude oil. The price ratio for these products in 1992 was contradictory in nature: In January-October, the price of a tonne of oil was fixed at the level of \$129, while the price of a tonne of oil products came to \$166.30. The emergence in 1993 of the situation outlined here is related primarily to a significant change in the structure of oil

product shipments due to increased exports of the less expensive products in this group, in particular—fuel oil.

This process is showing a trend toward more active development in 1993.

Changes in the Coefficient Indicating Ratio of the Average Weighted Price of One Tonne of Oil Products to the Price of Oil

Year	January-March	January-June	January-September	January-October		
1992	1.22	1.26	1.29	1.29		
1993	1.14	1.04	0.96	0.91		

In January-October 1993, shipments of natural gas increased over the January-October 1992 level by 2.7 percent. However, hard currency proceeds over this period decreased by \$411 million (6.7 percent). This can be explained by the average drop of 9 percent over this period in the contract price.

The physical volume of coal shipments in January-October 1993 increased by 11.6 percent over the same period of last year. The rate of increase of the export of coal is gradually diminishing—in January-August 1993 this was 19.6 percent; in January-September it was 14.2 percent.

Ferrous Metallurgy Output

In January-October 1993, the share of total production output export volume attributable to ferrous metallurgy was 8.8 percent, as opposed to 4.5 percent in January-October of 1992.

The main increase in hard currency proceeds from the export of commodities representative of this sector is directly attributable to the ferrous metals group (rolled metal, steel), which provided for 98 percent, or \$1.3 billion, of the increase in sector exports. In cost terms, the export of rolled metals and steels in January-October 1993 increased by a factor of 2.3 over the January-October 1992 level, amounting to \$2.3 billion.

The rate of growth of cast iron exports in physical terms over January-October 1993 was 29 percent greater than the January-October 1992 level, while the contract price over

this period decreased by 27 percent. As a result, hard currency proceeds were reduced by \$10.4 million.

The rate of reduction of hard currency proceeds from the export of ores and concentrates—amounting in January-October 1993 to a 16 percent drop from the level of January-October 1992—is slightly outpacing the rate of reduction of their shipment volumes—13.2 percent.

Nonferrous Metallurgy Production Output

The share of nonferrous metallurgy output commodities (aluminum, nickel, copper) of the total export volume in January-October 1993 amounted to 4.8 percent, or \$1.5 billion, as opposed to 5.3 percent in January-October of 1992. The same indices for January-September 1993 were at the level of 3.2 percent, or \$0.9 billion. The significant increase in export volumes for October 1993 (of \$0.6 billion) is related primarily to insufficiently exhaustive statistical information for the previous months, especially with respect to the export of copper and nickel.

The share of nonferrous metals exported in January-October 1993 attributable to aluminum increased to 63.5 percent, as opposed to 56.4 percent in January-October of 1992.

In physical terms, the volume of aluminum exported increased by 50.6 percent. However, the growth of hard currency proceeds from the export of aluminum in January-October 1993 was just 2 percent greater than the January-October 1992 level—caused by the sharp drop (32.4 percent) in average contract price. Preliminary estimates indicate that aluminum exports amounted to about 172,000 tonnes in October, while more precise data for September show a level for that month of 125,000 tonnes.

Rate of Change of Physical Volumes and Contract Prices in the Export of Aluminum, Calculated With Respect to January-March Indices

Agricult. Liveries mairies								
Year	January-March	January-Jeso	January-September	January-October Compared With January-Suptember				
Shipment Volume								
1992	1.0	2.13	3.43	1.12				
1993	1.0	3.06	5.42	1.24				
Contract Price								
1992	1.0	1.04 1.12		1.04				
1993	1.0	0.94	0.93	0.99				

In January-October 1993, the export of nickel in physical volume terms decreased by 27.5 percent from the January-October 1992 level, while the contract price dropped by 10.4 percent.

The export of copper in physical terms in January-October 1993 was reduced 12.6 percent from the January-October 1992 level, while the contract price increased by 19.2 percent.

Uncut Diamonds

The share of total export volume attributable to uncut diamonds in January-October 1993 dropped to 1.5 percent, as opposed to 3.6 percent in January-October of 1992. This is the result of a 59 percent reduction in shipment volumes and a 27 percent reduction in contract prices.

Chemical and Petrochemical Production Output

The share of total export volume attributable to chemicals and petrochemicals in January-October 1993 amounted to 3.3 percent, as opposed to 3.8 percent in January-October of 1992.

The structure of export of representative commodities of this sector in January-October 1993 changed somewhat compared to the same period of 1992:

- —the proportion of fertilizers of all varieties decreased from 75 to 66 percent;
- —the share of ammonia exports increased from 12 to 18 percent;
- —the share of synthetic rubber exports increased from 8 to 10 percent.

The aggregate export in physical volume of fertilizers of all varieties decreased by 16.2 percent in January-October 1993, as compared with the same period of 1992, while hard currency proceeds decreased by 23.2 percent.

Significant changes are being observed in the export structure for fertilizers. The export in physical terms of nitrogen and potash fertilizers decreased by 37.1 and 30.4 percent, respectively, while the export of compound and phosphoric fertilizers increased by 98.6 and 10.7 percent. Contract prices dropped from 1992 levels for all varieties of fertilizers, except nitrogen fertilizers.

Timber, Woodworking, and Pulp and Paper Production

The rate of increase (in physical terms) of shipments of sector commodities under observation in January-October 1993 slowed down somewhat as compared with January-September of 1993, amounting to:

- —52.3 percent for unprocessed timber shipments, as opposed to 73.2 percent;
- —43.5 percent for plywood shipments, as opposed to 103.1 percent;
- -113.7 percent for pulp shipments, as opposed to 137.6 percent.

The trend toward increased deliveries which was characteristic of previous months continued only with respect to newsprint—240.4 percent, as opposed to 219.9 percent.

In addition, the gap between 1993 and 1992 contract prices narrowed somewhat, as 1993 contract prices tended to converge gradually upon the 1992 level. Thus, whereas in January-September of 1993 prices for unprocessed timber amounted to 81 percent of the level for the same period of 1992, this ratio for the January-October period came to 98 percent. With respect to plywood, the figures were 57 and 65 percent, respectively, and for pulp—60 and 64 percent, respectively.

Machine-Building Output

The share of total export production volume attributable to machine building in January-October 1993 decreased by 7.3 percent, as compared to 8.7 percent for the same period of last year.

Recent months show a continued augmentation of the drop in machinery and equipment shipments as compared with last year. In January-October 1993, the decrease reached the level of \$473 million, as opposed to \$394 million in January-September. At the same time that export volumes of civil-sector machine building have been decreasing in 1993, certain changes in its commodity structure are also being observed. However, means of ground transportation (excluding railroad transport) continue to occupy the leading position—with 47.7 percent of the total export volum—of this sector, along with technological equipment (excluding electrical equipment)—38.8 percent. In this regard, the share of total shipments attributable to these equipment varieties increased by 1.5 and 4.2 percent, respectively, as compared with 1992 levels. It is significant that the share of export of aircraft decreased by 2.2 percent.

The only product group in the machine-building sector that showed a slight increase in the share of production over the period in question was shipbuilding. In addition, hard currency proceeds increased by \$4.5 million as compared with January-October 1992.

For the remaining production groups in the machinebuilding sector, a drop in share was observed, ranging from 0.6 to 1.4 percent. These include optical instruments and devices, electrical machinery and equipment, railroad equipment and rolling stock.

In assessing the influence of various types of production output on diminished export volumes in the sector, we note that \$185.8 million (39.2 percent) of the reduction took place due to reduced exports of means of ground transportation, \$102 million (21.5 percent)—due to aircraft, and \$69.3 million (14.6 percent)—to technological equipment and machinery (excluding electrical). The share of reduction in hard currency proceeds with respect to the remaining varieties of machine-building output fluctuates within the 6-10 percent range.

Fish and Fish Products

The share of shipments of fish and fish products in January-October 1993 came to 1.7 percent, as opposed to 1.1 percent for the same period of last year.

The shipment increase in physical volume terms amounted to 33.1 percent. The total increase in hard currency proceeds over this period reached \$197 million, contributing factors here including a growth in contract prices—amounting to 57.6 percent in January-October 1993.

IMPORTS

Ferrous Metallurgy Production Output

The share of imported representative products of the ferrous metallurgy sector increased significantly in January-October 1993, amounting to 3.5 percent, as opposed to 2.0 percent in January-October of 1992.

Despite the overall decrease of 45.9 percent in import purchases in general seen in January-October 1993 as compared with the same period of 1992, import volumes of ferrous metallurgy production remained virtually at last year's level. Purchases of production output in this sector amounted to \$541 million, as opposed to \$560 million in January-October of 1992. The reduction in expenditures for imports came to just \$19.3 million.

It must be noted that the structure of imported production in this sector also changed in January-October 1993 as compared with the same period of 1992. Thus, the percentage of sector import volume attributable to pipe increased from 54.3 to 76.3 percent, while the share attributable to ferrous metal imports (rolled metal, steel), on the contrary, decreased, amounting to 23.7 percent as opposed to 45.7 percent in January-October 1992.

Machine-Building Production

The import of machinery, equipment, and means of transportation in January-October 1993 was virtually halved, amounting to \$5.2 billion as opposed to \$11.2 billion in January-October of 1992.

The rate of decrease in the import of machine-building production is rising. Thus, in January-October 1993 machine-building output amounted to 53.2 percent of import production—4 percent lower than was the case for January-September 1993.

We note that the share of rolling stock purchases was reduced from 8.3 to 5.1 percent, and of electrical machinery and equipment—from 20.1 to 14.8 percent, while the share of purchases of all types of ships increased from 1.2 percent to 5.4 percent, and that of ground transportation means—from 11.9 to 13.3 percent.

Foodstuffs

Food product purchases continue to diminish. Their share of the total volume of imports decreased from 21.5 percent in January-October 1992 to 15.8 percent in January-October 1993. In cost terms, food product purchases were reduced from \$6.2 billion to \$2.5 billion. The rate of decline of food purchases—reaching 60 percent—is significantly outpacing the rate of decline of imports on the whole (45.9 percent).

Food products totaling just \$110.7 million were purchased in October—this comprises just 5 percent of the import volume increase for October 1993.

Structure of Food Product Purchases, Percent					
Item	January-October 1992	January-October 1993			
Grain	60.5	52.4			
Raw sugar, white sugar	16.3	29.7			
Poultry	6.6	4.5			
Flour	4.1	0.6			
Macaroni products	4.0	2.0			
Vegetable oil	3.5	1.5			
Milk and cream, butter and other fats	2.0	2.7			
Ten and coffee	1.9	5.0			
Citrus fruits and apples	0.8	1.7			

It is evident that the change in state policy in the sphere of centralized import purchases has exerted a significant influence on the dynamics of the structural indices of food product imports.

Medicines

The share of import purchases attributable to monfood consumer products in January-October 1993 amounted to about 7.6 percent, as opposed to 8.8 percent for January-October 1992.

The rate of decline in the import of a number of commodity groups is significantly outpacing the overall rate of decline of imports (45.9 percent), constituting:

- -79.6 percent, for synthetic fabrics;
- -74.2 percent, for footwear;
- -70.3 percent, for cotton fabrics;
- -62.4 percent, for leather clothing;
- -59.8 percent, for knitted articles.

Structure of Nonfood Product Purchases, Percent						
Îtem	January-October 1992	January-October 1993				
Clothing	64.0	79.5				
textiles	28.4	46.3				
knitted articles	21.3	18.4				
leather items	11.3	9.1				
fur apparel	3.0	5.7				
Footwear	26.4	14.6				
Fabric, all varieties	9.5	5.9				

Insofar as these commodities are being imported mainly through the funds of commercial structures and enterprises, the factor of effective demand exerts a decisive influence on changes in their structure.

		Respect to the Import of Basic Commodities for 1992-1993, Deliars January-October							
Harmonized System [HS] Code	Nemenclature	Quantity		Cost		Price		Structure, parcen	
		1992	1993	1992	1993	1993	1993	1992	1993
	ALL			20.6724 billion	15.5065 billion				
0201-0204	Ment, fresh and frozen, tonnes	278,223	64,333	363.5 million	94.103 million	1.30651 million	1.46275 million	1.27	0.61
0402	Milk and cream, tonnes	44,861	8,122	95.485 million	16.536 million	2.12846 million	2.03595 million	0.33	0.11
0405	Butter and other dairy fats, tonnes	16,784	33,745	27.506 million	48.481 million	1.63882 million	1.43669 million	0.10	0.31
10	Grains and cereals, tonnes	25,468	8,944	3.725672 billion	1.285854 billion	146,290	143,760	12.99	8.29
1507	Soybean oil, tonnes	208,946	13,813	122.152 million	12.176 million	584,610	881,490	0.43	0.00
1512	Sunflower oil, sufflower oil, cotton oil, towner	179,077	37,213	94.879 million	25.806 million	529,820	693,470	0.33	0.17
1701	Sugar, cane or beet, tonnes	3.265 million	2.230 million	1.00187 billion	729.006 million	306,870	326,970	3.49	4.70
1902	Macaroni products, tonnes	285,882	72,318	243.176 million	49.366 million	850,620	682,620	0.85	0.32
3003-3004	Medicines			879.117 million	203.581 million			3.07	1.31
4001	Natural rubber, tonnes	9,132	214,999	9.535 million	20.660 million	1.04413 million	960,970	0.03	0.13
4303	Fur clothing, tonnes		5,227	74,361 million	66.530 million		12,728,140	0.26	0.43
61	Clothing and apparel, knitted wear		537,041	216,074			1,870	1.39	
52	Clothing and apparel, textiles			715.34 million	544.876 million			2.49	3,651
72	Ferrous metals, tonnes	489,048		256.236 million	128.496 million	523,950		0.89	0.83
7303-7306	Pipe, tonnes	353,668	524,321	304.171 million	412.654 million	860,030	787,030	1.06	2.66
14-90	Metals, equipment and means of transportation			11.225428 billion	5.251943 billion			39.15	33.86
	Total for commodity designations			19.675469 billion	9.106226 billion			68.62	38.72
	Other undesignated products			8.996931 billion	6.402574 billion			31.38	41.28

					January-Oct	ober			
Harmonized System [HS] Code	Nomenchiture	Quantity		Cont		Price		Structure, per-	
		1992	1993	1992	1993	1992	1993	1992	1993
	ALL		-	31.379 billion	31.4097 billion				
0302-0304	Fish, fresh and frozen, tonnes	326,025	434,098	342.031 million	539.062 million	1.04909 million	1.24184 million	1.09	1.73
2601	Iron ores and concentrates, tonnes	6.192 million	5.378 million	149.614 million	125.840 million	24,160	23,400	0.48	0.4
2701	Coal, tonnes	14.527 million	16.206 million	593.912 million	530.619 million	40,880	32,740	1.79	1.6
2702	Lignite 5358300 (brown coal), tonnes	390,507	81,585	7.856 million	15,230	20,120	260	0.03	
2709	Crude oil, tonnes	52.128 million	67.714 million	6.726413 billion	7.115029 billion	129,040	105,080	21.44	22.65
2710	Products of oil refining, tonnes	20.327 million	29.517 million	3.3798 billion	2.824597 billion	166,270	95,700	10.77	8.91
271121	Natural gas in the gaseous state, cubic meters	71.93 billion	73.481 billion	6.1162 billion	5.705268 billion	90	80	19.49	18.10
2716	Electric power, kilowatt hours	3.265 million	4.591 million	87.69 million	106.171 million	30	20	0.26	0.34
3102-3105	Mineral fertilizers, tonnes	10.531 million	8.822 million	879.619 million	675.506 million	83,530	76,570	2.80	2.15
4403	Unprocessed timber, cubic meters	5.951 million	9.061 million	363.469 million	541.330 million	61,060	5.975 million	1.16	1.72
4407	Processed timber, cubic meters	2.046 million		268.410 million	371.941 million	131,210		0.86	1.10
4702-4704	Pulp, tonnes	277,995	594,178	106.962 million	145.189 million	384,830	249,400	0.34	0.47
4801	Newsprint, tonnes	103,675	352,916	37.716 million	85.401 million	363,790	241,990	0.12	0.21
5208-5212	Cotton fabric, meters	104.375 million	97.314 million	66.831 million	40.419 million	640	420	0.21	0.11
7102	Uncut diamonds, carats	6.761 million	3.848 million	1.129644 billion	469.025 million	167,090	121,900	3.60	1.49
72	Ferrous metals (except 7201, 7202, 7203, 7204), lonnes	4.524 million		1.023548 billion	2.338871 billion	226,240		3.26	7.43
7201	Cast from, tonnes	1.3264 million	1.710139 million	184.949 million	174.510 million	139,440	102,040	0.59	0.56
7202	Ferroelloys, tonnes	151,010	213,063	64.921 million	123.055 million	429,910	577,500	0.21	0.39
7402, 7403	Copper, tonnes	118,934	103,971	200.626 million	209.262 million	1.68855 million	2.01269 million	0.64	0.67
7502	Unprocessed nickel, tonnes	94,518	68,572	530.305 million	344,726 million	5.61062 million	5.02718 million	1.69	1.10
7601	Unprocessed aluminum, tounes	735,348	1.107125 million	945.135 million	961,878 million	1.28529 million	868,010	3.01	3.06
84-90	Metals, equipment and means of transportation			2.773948 million	2.300174 million			8.84	7.32
	Total for commodity designations			26.053548 billion	25.738749 billion			83.03	81.95
	Other undesignated products			5.325452 billion	5.670951 billion			16.97	18.05

1993 Foreign Trade Statistics Reported
944Q0131A Moscow SEGODNYA in Russian 13 Jan 94
p 2

[INTERFAX-SEGODNYA report: "Russia: Foreign Trade in 1993—Oil Exports Increased by 20 Percent"]

[Text] In 1993, Russia's foreign trade turnover, taking into account approximate estimates of exports and imports by private parties, amounted to \$76.2 billion (U.S.) and increased by 0.3 percent in current prices as compared to 1992.

Exports amounted to \$45.9 billion and increased by 13 percent, while imports fell off by 15 percent—to \$30.3 billion.

Russia's main trading partners were industrially developed countries, which in 1993 accounted for 59 percent of total Russian exports—\$27.2 billion, which is 14 percent more than in 1992. Exports to Germany amounted to \$5.9 billion (100 percent as compared to 1992), Italy—\$3.2 billion (107 percent), Great Britain—\$2.2 billion (97 percent), United States—\$2.1 billion (297 percent), and Japan—\$2.0 billion (125 percent).

Exports to developing countries amounted to \$6.4 billion and increased by 54 percent. Exports to other countries (former CEMA countries, the republics of former Yugoslavia, China, the DPRK, and the Baltic countries) amounted to \$12.3 billion (a 3 percent decline); only exports to China increased to \$3.3 billion (by 20 percent).

In 1993, Russia exported 21 percent more oil than in 1992 (18.2 percent of the total volume of exports), 3 percent more natural gas (15.1 percent), and 36 percent more petroleum products (7.5 percent). Export of machinery and equipment dropped off by almost a factor of four (6.1 percent of the total volume).

In 1993, Russia imported \$30.3 billion worth of products, which is 15 percent less in current prices than in 1992.

The total value of goods imported from industrially developed countries in 1993 was \$18.5 billion, or 18 percent less than 1992, including from Germany—\$6.9 billion (a 2 percent increase); from the United States—\$2.2 billion (a 16 percent decrease); from Japan—\$1.8 billion (a 5 percent increase); from Italy—\$1.4 billion (a 54 percent decrease); and from France—\$1.2 billion (a 7 percent decrease).

Imports from developing countries increased by 22 percent to \$5.5 billion, and those from other countries declined by 23 percent to \$6.3 billion. China was an exception: Imports of Chinese-produced goods increased by 55 percent to \$2.6 billion. Imports from Bulgaria, Poland, Romania, Slovakia, the Czech Republic, and the republics of the former Yugoslavia fell off by a factor of two or more.

Grain imports fell to a record low for the past few years—11 million tonnes (5.2 percent of the total volume); purchases of machinery and equipment dropped off almost by half (21.7 percent). Clothing comprised 3.2 percent of all imports, and sugar—2.7 percent.

Foreign trade balance was positive in 1993 and amounted to \$15.6 billion (in 1992 it was also positive and amounted to \$5.3 billion).

Russia's total trade turnover with the republics of the former USSR amounted to 22.5 trillion rubles [R]. The positive balance in Russia's trade with CIS partners amounted to R5.249 trillion (in current prices). The greatest disbalance has developed in trade with Ukraine—R3.7 trillion, Kazakhstan—R972 billion, and Belarus—R239 billion.

Disadvantages Seen in New Import Regulations 944Q0131B Moscow KOMMERSANT-DAILY in Russian 11 Jan 94 p 2

[Article by Tatyana Korotkova and Leonid Zavarskiy: "The State Regulates Private Imports: A Customs Committee Instruction"]

[Text] The much-discussed Government Docree No. 1322 of 23 December, which establishes the rules for import and export of goods by private parties, has been taken one stop further. The Russian State Customs Committee [GTK] issued as Instruction No. 583 "On Temperary Urgant Measures Regarding Implementation of the Government Docree." And although a concrete mechanism of its implementation is still under development, according to this customs document, new rules for moving goods and means of transportation by individuals, in the part of value quotas and amount of duties, were introduced on 1 January. As we were told in the Customs Committee, the new rules so far do not extend to those who left for abroad before 31 December. Nevertheless, it is expected that the new rules will begin to apply to their full extent in Pebruary, and therefore we believe that it would be useful to learn about its basic provisions and to propare for possible consequences of the upcoming invovations.

First of all, while reducing the value quota of duty-free importation of goods by private parties from \$5,000 to \$2,000, the government set a single rate of custom duties for individuals in an amount equal to 60 percent of the customs value of imported goods. Duties at this rate will be applied only to amounts exceeding \$2,000. This measure undoubtedly is aimed first and foremost against "shuttle" business and is quite justified from the standpoint of replenishing the state budget, since the main flow of goods comes into the Russian market precisely through these uncontrolled private imports. Nevertheless, people who have nothing to do with commercial imports may fall under this "shuttle" category, while customs officials get another source of income. The point is that a customs official is a person vested with the power to determine for what purpose an item is being brought in and to agree with the declared customs value—which, as is known, in a number of instances may differ considerably from base prices used by the customs (catalog prices of leading Western companies).

The greatest troubles are in store for foreign car lovers. In order to bring in a new car duty-free, one now has to have spent at least six months abroad. However, if the engine displacement volume is greater than 1,800 cubic centimeters, there is a mandatery duty of 5 ECU per 1 cubic

centimeter of engine displacement value. Also, an automobile is considered new if it is less than one year old or has a mileage of less than 20,000 km. As Vladimir Chuvayev, chief of the GTK's nontrade turnover customs control department, explained to KOMMERSANT, when cars with lesser displacement value are brought in, the terms of import depend only on the length of the individual's uninterrupted stay abroad. According to the GTK's official version, the new customs barrier will facilitate combating illegal and semilegal import of foreign cars, since in the past "gray" importers paid a considerably smaller customs duty than official dealers of foreign companies. Now this difference will disappear. KOMMERSANT experts believe, however, that new duties are a strictly fiscal measure. As to foreign car dealerships' retail prices, in their opinion, for automobiles with more than a 2-liter engine alone it will almost double. Another blow will be dealt to sales of foreign cars.

Decree on Regulating Trade Disputes 944Q0133A Mascow MOSKOVSKIYE NOVOSTI in Russian No 52, 29 Dec 93 p B15

["Decree of the Government of the Russian Federation: Measures Regulating Trade Disputes Arising in Connection With Russian Commodity Exports"]

[Text] To ensure propitious trade and political conditions for Russian commodity exports and the prompt adoption of measures to protect Russia's economic interests the Council of Ministers-Government of the Russian Federation resolves:

1. To instruct the Ministry of Foreign Economic Relations of the Russian Federation following consultation with the Ministry of Economics of the Russian Federation and, if necessary, with the Ministry of Foreign Affairs of the Russian Federation and other interested ministries and departments to negotiate with the authorities of countries and integration groupings where there is a danger of the unilateral imposition of antidumping or other restrictive measures in respect to imports of Russian commodities and, when an accommodation has been reached, to sign in its own name or on behalf of the Government of the Russian Federation the corresponding agreements limiting exports of Russian commodities.

That the obligations of the Russian Side in respect to such agreements may, in particular, specify the establishment of quotas for the exports of Russian commodities in respect to which there is a danger of the unilateral imposition of antidumping or other restrictive measures and/or the imposition of the licensing of the exports of the corresponding commodities, including licensing in respect to quantities and/or a minimum level of export prices, limitation of the number of exporters, and presentation to the authorities of the countries or integration groupings of information concerning the use of the export quotas and licenses that have been issued, including information on export contracts.

That on questions requiring decisions by the Council of Ministers-Government of the Russian Federation the corresponding proposals shall be presented.

2. To authorize the Ministry of Foreign Economic Relations of the Russian Federation to deprive of export licenses Russian enterprises and organizations of all forms of ownership whose unfair trade practices, as established by an investigation conducted by the Ministry of Foreign Economic Relations of the Russian Federation in conjunction with the Ministry of Economics of the Russian Federation, have led or could in the future lead to the adoption by other countries or integration groupings of antidumping and other restrictive measures in respect to Russian exports.

That the Ministry of Foreign Economic Relations of the Russian Federation shall in conjunction with the Ministry of Economics of the Russian Federation and other interested ministries and departments present within a three-month period proposals concerning the procedure of the corresponding investigation.

- 3. That the Ministry of Foreign Economic Relations of the Russian Federation shall, in the event of the adoption of commitments to limit exports in accordance with the agreements specified in clause 1 of this decree, issue in the established procedure export licenses such as to ensure that supplies for state needs be realized as a priority.
- 4. That the Ministry of Foreign Economic Relations of the Russian Federation shall in conjunction with the interested ministries and departments adopt measures for fulfillment of the Russian Side's obligations ensuing from the agreements limiting Russian commodity exports specified by this decree.

[Signed] V. Chernomyrdin, chairman of the Council of Ministers-Government of the Russian Federation 2 December 1993 Moscow No 1248

Statute on Service for Hard Currency, Export Control 944Q0133B Mascow MOSKOVSKIYE NOVOST7 in Russian No 52, 29 Dec 93 p B15

["Statute on Federal Service of Russia for Currency and Export Control"]

(Text)

L. General Provisions

- The Federal Service of Russia for Currency and Export Control (hereinafter Federal Service) is the central body of the federal executive formed to realize the functions of the Council of Ministers-Government of the Russian Federation pertaining to currency and export control.
- 2. The Federal Service shall be guided in its activity by the Constitution of the Russian Federation, the laws of the Russian Federation, edicts and directives of the president of the Russian Federation, decrees and directives of the Council of Ministers-Government of the Russian Federation, and international treaties to which the Russian Federation subscribes and also this statute.

The Federal Service shall exercise interbranch coordination and regulation on matters within its jurisdiction.

Proposals pertaining to questions of currency and export control submitted by interested central organs of the federal executive to the Council of Ministers-Government of the Russian Federation are to be harmonized in advance with the Federal Service.

- The Federal Service shall consist of a central staff and territorial currency and export control authorities which it forms in the republics within the Russian Federation, krays, oblasts, and autonomous formations and the cities of Moscow and St. Petersburg.
- 4. The Federal Service shall exercise its activity in close cooperation with the other authorities and agents of currency and export control determined by legislation of the Russian Federation and shall devise and introduce within in its competence a unified system of their interaction, including methods and information support in this sphere.

II. Tasks and Functions

- The main task of the Federal Service is the pursuit of a common all-state policy in the sphere of organization of the control and supervision of the compliance with legislation of the Russian Federation in the sphere of currency, export-import, and other foreign economic transactions.
 - The Federal Service shall within its jurisdiction ensure control and supervision of the compliance with legislation of the Russian Federation by the central organs of the federal executive, organizations, enterprises, banks, and individuals participating in the regulation and realization of currency, export-import, and other foreign economic transactions.
- The Federal Service shall within its competence perform the following functions:
 - a) monitor compliance by residents and nonresidents with legislation of the Russian Federation and departmental enforceable enactments regulating currency transactions and residents' discharge of obligations to the state in foreign currency;
 - b) monitor the receipt in full in the established procedure of resources in foreign currency from foreign economic transactions;
 - c) participate in supervision of compliance with the procedure of quantitative regulation and licensing of the exports of commodities and services and the correct use of the quotas and licenses obtained:
 - d) monitor the lawfulness of the granting or refusal to grant an entitlement to export strategically

- important raw material commodities by enterprises and organizations;
- e) organize with the participation of other authorities and agents of currency and export control and interested central organs of the federal executive inspections of the fullness and objectiveness of accounting and accountability pertaining to currency, export-import, and other foreign economic transactions and also inspections of the transactions of nonresidents in currency of the Russian Federation;
- monitor the efficiency of the use of loans in foreign currency granted the Russian Federation on the basis of international treaties and arrangements;
- g) organize with the participation of interested central organs of the federal executive and independent experts and with the enlistment of foreign firms and specialists audits of the foreign economic activity of individual economic transactors;
- participate in the work on the recording, valuation, and supervision of the earmarked use of confiscated foreign exchange assets;
- i) prepare on the basis of the results of inspections of activity material for presentation to the appropriate administrative, tax, and law enforcement authorities and, within its competence, render them assistance;
- j) analyze and collate the practice of currency and export control, in foreign countries included, and present in the established procedure proposals for the development and improvement of legislation of the Russian Federation in this sphere;
- k) present to the organs of representative and executive power of the Russian Federation accounts of the organization of currency and export control and the results of the activity of the Federal Service:
- participate in conjunction with other authorities and agents of currency and export control, interested central organs of the federal executive, and organizations in the creation of a single information system pertaining to currency and export control and the interdepartmental exchange of information on the control of exports of strategically important raw material commodities;
- m) participate in the development and implementation of programs of international cooperation in the sphere of currency and export control via channels of international, regional, and national appearament and nongovernment organizations;
- n) direct the activity of the territorial currency and export control authorities and their representatives in institutions of the Russian Federation overseas and in authorized banks;

- o) interact with organs of the executive of components of the Federation on questions of the
 provision of the territorial currency and export
 control authorities with office buildings, transportation, computer equipment, and other
 material and technical resources, and their
 employees, with bousing, general amenities, and
 medical services in the established procedure;
- p) interact with the currency and export control authorities of foreign states;
- q) represent the Russian Federation at the behest of the Council of Ministers-Government of the Russian Federation independently or in conjunction with other authorities and agents of currency and export control in international negotiations geared to the conclusion of international treaties and arrangements on questions of the organization and exercise of currency and export control;
- r) implement measures for the selection, vocational training, and the retraining of personnel;
- exercise other functions connected with currency and export control specified by legislation of the Russian Federation.

III. Rights and Obligations

- The Federal Service shall in accordance with the tasks entrusted to it and the functions it discharges be entitled:
 - a) to obtain from the authorities and agents of currency and export control the necessary information and documents for the efficient accomplishment of its tasks;
 - b) to conduct inspections of financial documents, ledgers, accounts, plans, estimates, declarations, contracts, arrangements (agreements), and other documents connected with economic transactors' exports and imports of goods and services, barter transactions, and other foreign economic transactions, the receipt and transfer of foreign exchange assets, and the discharge of obligations to the state in foreign currency;
 - c) to obtain from legal entities and individuals documents and copies thereof that concern currency, export-import, and other foreign economic transactions and are necessary for an assessment of their compliance with the provisions of legislation of the Russian Federation and also information and data on matters arising in the course of the inspections;
 - d) to appeal to government and nongovernment organizations, firms, and banks of foreign states for assistance when inspecting the activity overseas of Russian legal entities and individuals and also their assets, with observance of the legislation of the corresponding countries;

- e) to raise the question in the established procedure of the suspension of currency, export-import, and other foreign economic transactions and the deprivation of economic transactors of licenses and other rights in the sphere of foreign economic activity and to submit in the established procedure proposals concerning the exclusion of enterprises and organizations from the list of exporters of strategically important raw material commodities in instances of their failure (or refusal) to present organs of the Federal Service with the corresponding documents connected with performance of the said transactions;
- f) to institute proceedings against legal entities and individuals in the established procedure for a breach of legislation of the Russian Federation and departmental enforceable enactments regulating foreign economic transactions;
- g) to form in the established procedure territorial currency and export control authorities and to have, following consultation with the Central Bank of the Russian Federation, its representatives in authorized banks, and following consultation with the corresponding central organs of the federal executive, in institutions of the Russian Federation overseas:
- h) to participate in the preparation of legislative and other enforceable enactments on questions of currency and export control;
- i) to devise and confirm in the established procedure in conjunction with the other authorities and agents of currency and export control enforceable enactments and methods material on questions of currency and export control binding on all legal entities and individuals on the territory of the Russian Federation;
- j) to elaborate and issue within its competence sets of instructions, statutes, rules, methods material, and educational programs on questions of the organization and exercise of currency and export control;
- k) to request from ministries, departments, and organizations official explanations concerning the interpretation and application of enforceable enactments they have promulgated on questions of the exercise of currency, export-import, and other foreign economic transactions;
- to make suggestions in the established procedure on the suspension or abolition of departmental enforceable enactments on questions of the exercise of currency, export-import, and other foreign economic transactions;
- m) to conclude agreements with research and other organizations and also with individual specialists for expert appraisals, audits, and the development of methods materials and to invite foreign specialists and firms for the said purposes;

- n) to represent the Russian Federation in international organizations at the behest of the Council of Ministers-Government of the Russian Federation.
- 8 The Federal Service shall be entitled to obtain information from the Ministry of Security of the Russian Federation, Ministry of Internal Affairs of the Russian Federation, the Foreign Intelligence Service of the Russian Federation, and the Ministry of Defense of the Russian Federation on instances of which it has learned of a violation by legal entities and individuals of legislation of the Russian Federation and departmental enforceable enactments concerning the quantitative regulation, licensing, and exercise of currency, export-import, and other foreign economic transactions.
- 9. Officials of the Federal Service and the territorial currency and export control authorities shall formalize the results of an inspection of legal entities and individuals as instruments that reflect the ascertained violations of legislation of the Russian Federation and the established provisions and rules of currency, export-import, and other foreign economic transactions. Officials of the Federal Service and the territorial currency and export control authorities shall give instructions binding on the legal entities and individuals concerning the elimination of the ascertained violations and shall be entitled to demand fulfillment of their orders.
- 10. Officials of the Federal Service and the territorial currency and export control authorities shall be required to keep the commercial secret of legal entities and individuals which has become known to them in the discharge of their functions and also not to divulge information concerning the resources in foreign currency of legal entities and individuals obtained and used by them on a legitimate basis.

IV. Leadership and Organization of Activity

- The Federal Service shall be headed by a leader appointed by the president of the Russian Federation as recommended by the chairman of the Council of Ministers-Government of the Russian Federation.
- The leader of the Federal Service shall have deputies appointed and dismissed by the Council of Ministers-Government of the Russian Federation.
- 13. A collegium consisting of the leader of the Federal Service (chairman) and his deputies ex officio and also other senior executives of the central staff shall be formed in the Federal Service.

- 14. The leader of the Federal Service shall:
 - a) be personally responsible for the performance of the tasks and functions entrusted to the Federal Service and shall determine the degree of responsibility of his deputies and the leaders of the structural subdivisions of the central staff for their assigned areas of work;
 - b) independently adopt decisions on matters pertaining to the jurisdiction of the Federal Service;
 - c) issue orders, directives, and sets of instructions binding on the central staff of the Federal Service and the territorial currency and export control authorities and overseas representatives;
 - d) approve a statute on the structural subdivisions of the central staff of the Federal Service;
 - e) organize interaction with the organs of representative and executive power of the Russian Federation on matters within the jurisdiction of the Federal Service;
 - f) appoint and dismiss employees of the central staff of the Federal Service.
- 15. The leader of the Federal Service shall approve within the limits of the established manning level and labor remuneration fund the structure of the central staff and the list of established members and also the estimates of expenditure on its maintenance within the limits of the appropriations for the corresponding period.

Savings in the appropriations for the labor remuneration fund and the maintenance of the central administrative staff and also in the centrally allocated social development fund shall remain at the disposal of the Federal Service and shall be used in the current and subsequent years for the provision of the employees of the Federal Service with general amenities.

- 16. The leader of the Federal Service shall approve the Statute on the Territorial Currency and Export Control Authorities, determine their numerical composition, and appoint and dismiss the leaders of these authorities.
- 17. The Federal Service is a legal entity and has a seal depicting the Coat of Arms of the Russian Federation and the essential elements with its own title and settlement and other, including foreign exchange, accounts in bank institutions.

Foetnote

Approved by Decree 1157 of the Council of Ministers-Government of the Russian Federation of 15 November 1993.

MFER Official on Foreign Trade Policy 944Q0130A Moscow EKONOMIKA 1 ZHIZN in Russian No 1, Jan 94 pp 1-2

[Article by Candidate of Economic Sciences V.A. Oreshkin, department chief at the All-Russia Institute for Market Trends Research of the Russian Ministry of Foreign Economic Relations: "The Year 1994: Basic Directions in the Formation of Foreign Trade Policy"]

[Text] The Russian system of state regulation of foreign aconomic activities has undergone a difficult two-year period of formation. On the whole, developments moved in the direction of strengthening oconomic methods of regulating one of the most important uphores of the national oconomy, albeit not always consistently. In the second half and toward the end of last year the first normative documents were adopted, on the basis of which the basic provisions of national foreign trade policy for 1994 were formulated. We will see how optimal and well-considered the combination of oconomic and administrative methods of control on the part of the state over the activities of Russian importers and exporters in foreign markets is over the current year.

At the aditors' request, our regular author, Candidate of Economic Sciences V.A. Oveshkin, department chief at the All-Russia Institute for Market Trends Research of the Russian Ministry of Foreign Economic Relations, reflects on this subject.

The basic document that defines the main directions of nontariff regulation of exports from Russia in the current year is the Council of Ministers-Government of the Russian Federation Decree No. 1102, issued on 2 November 1993. Like last year, this system envisages first and foremost quota restrictions and licensing of exports of certain categories of products and a special policy regarding exports of strategically important raw materials (SIRM).

In 1993 the licensing policy set by Government Decree No. 854, dated 6 November, was on the whole relaxed: Ammonia, synthetic rubber, phosphate fertilizer, ammonium sulfate, methanol, calcium phosphates, and some varieties of timber and sawn lumber were removed from the list of goods to which quotas applied and which constituted the bulk of Russian exports—fuel and electric power and raw materials, although later this list was expanded by adding grain and the products of its processing, oil-yielding crops, ethyl alcohol made from edible raw material, meat and milk products, casein, and wax. Beginning 1 January 1994, in keeping with Decree No. 1102, the list of goods that require export licenses within established quotas included 12 items: fuel and electric power, hydrocarbon raw materials, certain categories of nonferrous metals and raw materials for their production, cellulose, wheat, soy and sunflower seed, nondenatured ethyl alcohol, fish, crustaceans, and caviar. Council of Ministers-Government of the Russian Federation Decree No. 2213-r, dated 10 December 1993, added to this list coniferous varieties of commercial timber and wood ties for mainline railroads.

First put into effect on 1 July 1992, the original SIRM list included 13 commodities; in September it was expanded to 15, and after 1 April 1993 it was modified to include fish and fish and marine products, while certain varieties of timber and paper products, sodium, and household items made from aluminum were dropped from it. Thus, the SIRM list became virtually identical to the list of commodities subject to quotas, with the exception of rolled ferrous metals, exports of which were unrestricted. This identification generally remains effective for 1994, although the SIRM list defined by aforementioned documents Nos. 1102 and 2213-r is somewhat broader than the list of commodities subject to quotas due to the inclusion of some varieties of nonferrous, alkaline, alkaline-earth, and rare metals and materials for their production, fertilizer, raw diamonds, and sawn coniferous varieties of lumber.

Government Decree No. 1103, dated 30 October 1993, made effective as of 1 November new export duty rates for goods exported from the territory of Russia, and GTK [State Customs Committee] of Russia Directive No. 479, dated 11 November 1993, set the procedures for their calculation and collection.

In 1992-1993 export duties applied to about three-quarters of Russian exports. Exports of fuel and raw materials, foodstuffs, and industrial semifinished products were subject to duty. Of finished industrial goods, tariff regulation applied to exports of aviation equipment and arms. New export tariffs differ from those previously in effect first and foremost in the following respect:

- —the list of goods subject to export duties has been cut almost by half (to 29 items) due to the exclusion of animal husbandry products and the products of their processing, certain varieties of food-processing output, alcohol, paper and cardboard, printed material, and textile raw materials and semifinished products;
- duties vary by item and range from 2 to 64,000 ECU per tonne of exported commodity (in the past the maximum rate was as high as 80,000 ECU); ad valore custom rates—from 3 to 25 percent (5 to 70 percent, respectively). The most noticeable reduction in duties occurred with respect to agricultural products and foodstuffs, to which high export rates were applied in the past at a "proscriptive" level in order to limit exports, since exports of such products from Russia in 1993 were to a considerable extent made possible by state subsidies, which later dropped off sharply. There has been a perceptible reduction in duties with respect to certain varieties of nonferrous metals and raw materials for their production. According to Decree No. 1102, exports of goods for state needs and exports of commodities from Russia to CIS countries on a clearing or interrelated basis are exempt from export duties in 1994, as they were in 1993.

Policy in the area of tariff regulation of exports in 1994 will be formed taking into consideration the same factors as the policy in the area of administrative regulation. Exports of a number of raw materials that previously fell under the government's administrative and economic control currently no longer have to be restricted, either directly or indirectly: Domestic prices for them have reached the world level or even exceeded it, which leads to practically identical results regardless of whether these goods are sold on the

domestic or foreign market. I want to remind you that in keeping with the Law "On Customs Tariffs" quantitative restrictions on exports and tariff regulation expire on 31 December 1995.

Liberalization of foreign trade policy with respect to Russian exporters in 1994 does not mean that the state forfeits control over their "civilized" conduct in carrying out deliveries of products to the foreign market. Strengthening of this control will be aimed first and foremost at the timely repatriation of foreign currency earnings to Russia. On 12 October 1993 the Central Bank and the GTK of Russia issued Joint Instruction No. 19 and 01-20/10283, which sets the procedure for hard currency control over repatriation to the Russian Federation of foreign currency earnings from exports of goods. For SIRM exports it goes into effect on 1 January 1994, for all other goods—on 1 March 1994.

As is known, over the past two years similar documents had been adopted at different levels of legislative and executive authority on numerous occasions. The aforementioned instruction is probably the first appreciable step on the road to creating a real working mechanism of control over repatriation of foreign currency proceeds by exporter enterprises. The control structure is quite complex, since it must tie into a single chain all the Russian components of an export deal: "exporter—customs—bank." In keeping with the instruction, control documentation has been introduced allowing the passage of goods over the border to be traced, and foreign currency proceeds to then be repatriated. In these circumstances the role of authorized banks increases dramatically, since now they will in fact perform the functions of foreign currency control agents, especially when possible sanctions and penalties envisaged by the instruction are applied.

Another direction of strengthening export control on the part of the state is necessitated by factors of an "external" nature. On 2 December 1993 Government Decree No. 1248 was issued "On Measures of Settling Trade Disputes Arising in Connection With Exports of Russian Goods." In keeping with this, the government will implement control over the activities of exporting enterprises whose dishonest trade practices lend or may lend to importing countries imposing antidumping or other restrictive measures with respect to Russian goods. Such control will be exercised in the form of establishing additional quotas for exports of commodities with respect to which importer countries introduce restrictions; requiring their licensing; setting minimum export prices; and limiting the actual number of exporters. The MFER [Ministry of Foreign Economic Relations] has the right to revoke the export licenses of Russian exporters—regardless of form of ownership—that are identified as "violators."

Russian exporters should be aware of the preferences they may be eligible to claim in exporting goods to the countries of the European Community [EC], which unites 12 states in Western Europe. The point is that the General System of Preferences of the European Communities (GSP EC) has been in effect since 1971, which envisages customs and

tariff preferences in importing into EC countries goods from a state to which the preferential (favored) treatment is extended.

In order for a commodity exported from Russia into EC countries to qualify for this preferential treatment, the Russian exporter has to present in these countries a Form "A" certificate of the origin of goods issued by MFER authorized representatives in the regions in keeping with departmental instruction No. 452 dated 24 June 1993 "On Procedure of Issuing Certificates of the Origin of Goods for Selling Within the General System of Preferences of the European Community (OSP EC)." Otherwise, "nonpreferential" rates of European Community customs duties will be applied to imports.

The system of regulating imports in 1994 includes the same instruments as last year—procedures for determining the customs value of imported goods and control over their safety, procedures for establishing the country of origin, tariff and tax regulation of imports, etc.

However, in keeping with Government Decree No. 985 dated 30 September 1993 and GTK of Russia Instruction No. 445 dated 1 November 1993, on 11 October 1993 new rates of excise taxes on imported goods went into effect, which are higher compared to those in the past. Then excise tax rates were once again modified in keeping with Government Decree No. 1185 dated 19 November 1993 and made effective by GTK of Russia Instruction No. 501 dated 26 November 1993. Currently excise tax rates in effect range from 10 to 250 percent of the customs value of imported goods.

Letter No. 01-13/11649 of the GTK of Russia dated 22 November 1993 establishes the procedure for importing goods by physical persons. The main provision of the document is to set general provisions for regulation of imports of goods, including payment of duties, value-added tax, excise tax, customs fees, and so on, for both legal and physical persons if these goods are imported with the intention of their subsequent use for production or commercial purposes.

The tightening or liberalization of import policy in the future will depend to a large extent on new import tariff rates, which are now at the stage of approval.

In the current year work will continue on the formation of a normative base which will define the contents of customs regulations set by the Customs Code, and the finalization of trade regulations governing trade with all countries that are former USSR republics.

The MFER has completed work on analyzing the reports of enterprises, sectors, and regions in utilizing the means received as a result of preferences granted in 1992-1993 in their conduct of foreign economic activities. In the future the ministry, which has always advocated an integrated system of state regulation of foreign economic activities, will strengthen record-keeping and control over the receipt and targeted use of such means.

Historical Details on DPRK's Kim Il-song 944Q0134A Moscow NEZAVISIMAYA GAZETA in Russian 29 Sep 93 p 5

[Article by Leonid Vasin: "Steps Toward the Throne. Kim Il-song: Who Is He?" Names in parentheses as transliterated]

[Text] The "Great Leader" of the Korean people was created and cultivated and exists not in accordance with the wishes of the people of North Korea, but in accordance with a design of the CPSU Central Committee Politburo planned in advance and of the leader of all the peoples personally.

A whole system of authorities formed north of the 38th parallel was involved in his formation, elevation, and confirmation in the role of military commander, theorist, and leader. Here is a rough sketch of these authorities: Colonel General Shtykov, the direct representative of the Central Committee Politburo responsible for the entire situation on the ground and former secretary of the CPSU Leningrad Oblast Committee; the 25th Army's Military Council, Major General Lebedev; the 25th Army's Special Propaganda Section, Major Kovyzhenko, chief, who subsequently came to be called senior official of the CPSU Central Committee; the newspaper CHOSON SINMUM; and Pyongyang Radio, whose programs were produced by representatives of our country. The University of Pyongyang, which was formed in accordance with a decision of the CPSU Central Committee, and its provost, Pak II, a Soviet scholar. It was he who taught Kim II-song the rudiments of Marxist-Leninist science. The Soviet military administration—Major General Romanov and Colonel Ignatov, his deputy for political affairs. And, of course, the KGB (Army counterintelligence), headed by Major General Anokhin.

Your author was working in the Army's Special Propaganda Section as assistant section chief. According to the listed establishment, this section was in wartime to work among the troops and the populace of the enemy.

The branch had 14-1" officers of Korean extraction. We created Kim Il-song from scratch, virtually, and performed this work "crudely and visibly," without embarrasament or pangs of conscience—as the party ordered. I more than others, possibly, dealt with Kim Il-song on a daily and weekly basis in the first five or six months. Then, as Terentiy Fomich Shtykov's staff grew, the section's role was scaled back. Nonetheless, the work that enabled Kim to become not only a military commander but also a leader was performed in the first two years.

The Situation From 18 Through 23 August 1945

The decree of the Japanese emperor on capitulation was announced in the morning of 15 August. Units of our 25th Army were pushing forward through Manchuria in the direction of the Korean borders. In the night of 16 August they entered Yanji, where the headquarters of the Japanese 5th Army were located. On 17 August the commander of our 25th Army, Colonel General Chistyakov, the celebrated hero of the battle of Stalingrad, accepted the surrender of the Japanese from Major General Hachiro Iketani, chief of staff of the Army. The Japanese general reported that Japan had observed all the terms of the surrender and that only

one subunit was, in view of its isolation from headquarters, putting up resistance to our advance, for which General lketani apologized.

The higher command ordered General Chistyakov personally to deplane at Pyongyang. Immediately! He ordered that the trains be loaded up and that they make full-speed for Pyongyang. Others followed at their own pace.

I know that there were no national formations in our Army's units. And had there been, we would have been well aware of it. Our section was required to look after such subunits and rely on them in its work. There was no detachment of Kim Il-song or the Chinese Wang Song on the Korean salient. This "presence" of national subunits was designed subsequently as camouflage for the future leader.

Chistyakov's aircraft touched down at Pyongyang Airport. Accompanying the general was a group of submachinegunners, a radio operator, and a signals officer. Koreans and Japanese were awaiting the appearance of the Soviet forces. Several cars were made available to Ivan Mikhaylovich, who set off directly for the residence of Shoji Furukawa, governor of the northern provinces. But this building had at four in the afternoon been taken over by a people's committee, which had arisen spontaneously. But the official acceptance of the surrender took place here, in the former office of the Japanese general.

Colonel General Chistyakov as yet knew nothing of Kim Il-song. He and many others had simply not been notified, and he acted as prudence dictated. Moscow had not yet chosen the person whom it would back.

Cho Man-sik? A leader of the national liberation movement of 1919. He had together with Syngman Rhee led the 1 March uprising. The difference between them was that Cho Man-sik had spent from 1919 through 1945 in jail. Syngman Rhee, on the other hand, had been in exile. Cho Man-sik was released from prison in accordance with the emperor's capitulation decree, and Syngman Rhee arrived in South Korea on 17 August from Hong Kong.

Representatives of the people's committees had since 21 August been coming to our command headquarters, and from there they were sent to us, to our Special Propaganda Section. People came in a stream to express gratitude for the liberation, to register, to present a complaint, to communicate something or other of importance, and so forth.

Such people in our section were former members of the All-Union Communist Party (Bolsheviks) who had been infiltrated into Korea in the 1930's by a decision of the Communist International Executive Committee and the Profintern. On 15 August they also had been released from prison. About 10-12 persons were the most active. They included (Pak Den Ay) (Vera Tsoy. She would subsequently become vice chairman of [Yezheni Kotton's] International Organization of Women), her husband, (Kim Yem Bom), and others. It was they and their comrades who notified all provinces that the First Communist Party of Korea Congress would be held in Pyongyang on 28 August. They themselves on the very first day went to the former governor's residence and together with Cho Man-sik joined the

Provisional People's Committee of North Korea. Cho Mansik perfectly naturally occupied the post of chairman, and he was at this time supported by the Communists.

Some special propaganda officers made, as we were told later, a mistake. They visited without permission the People's Committee building and congratulated Cho Man-sik on the liberation. This was on 21 August 1945. The mistake was caused by the fact that we did not know Moscow's intentions. Not just we, but Lebedev, member of the Military Council, did not these first two days know on whom to rely and whom to recognize and whom not to recognize.

Kim Il-Song Comes to Us

Kim Il-song showed up at our section on 22 August 1945 in the latter part of the day. He said, if I am not mistaken, that General Lebedev had recommended that he report here.

Kim arrived without any soldiers or an adjutant. Our khaki field uniform, service cap of the rifle troops, box-calf boots, and the Order of the Red Banner. The young Korean officers of the section clustered round him. Questions, cross-questioning.

Kim Il-song really was part of a guerrilla detachment operating in the areas of Manchuria bordering Korea. Prior to this he had lived in a rural locality on the territory of China. There, according to him, he completed seven grades of a Chinese rural school. The officers of the section observed that he did not, evidently, have a great command of Korean, although they themselves were far from perfection.

As Kim himself told me, he and a group of Korean and Chinese citizens had, under pressure from Japan's punitive detachments endeavoring to clean up the rear areas in connection with the country's entry into the war against the United States, crossed our border. An international brigade, which numbered approximately 300 Chinese and Koreans, was formed from such defectors in 1942. They were quartered in the village of Vyatskoye near Khabarovsk. Kim Il-song was appointed commander of this brigade, and Wang Song, whom I had met twice, commissar. The rank of captain was established for Kim Il-song, and for Wang Song, major. According to the establishment, the brigade was called 1st Battalion, 88th Brigade.

This Korean-Chinese international subunit organized drills itself, under the supervision of counterintelligence officers. Political classes and political information sessions were held, and combat training was performed. Much time was allotted for domestic chores.

There had been no orientation toward Kim prior to the start of the war with Japan. No one knew who would be the head of a liberated Korea. Everyone was kitted out for the march. Wang Song and Kim Il-song were presented with the Order of the Red Banner. Only subsequently would these decorations be formalized by an order of General Purkayev, commander of the front (almost a week after Kim, wearing the decoration on his chest, arrived in Korea).

After General Chistyakov's departure, the headquarters staff loaded up the cars. Our section traveled in the first train. Kim Il-song and a group of Koreans, in the second

train, this group having been pushed forward by the officer who had been assigned to it. The Soviet Army uniform, the decoration, and the assistance of the SMERSH officer enabled Kim to enter Pyongyang on 22 August.

The myth that he had for 14 years been in command of a large formation, kept virtually all Japanese forces in Manchuria on a state of alert, smashed enemies on land, stormed ports, and commanded an armored formation on an offensive was needed to elevate Kim to the level of hero in order to use him for work in Korea. The Soviet propaganda authorities not only did not prevent these rumors, they encouraged them and augmented them in the press and on the radio.

On 23 August 1945 Section Chief V.V. Kovyzhenko received the order—disguise Kim, get the Order of the Red Banner as far away as possible.

Work was in full swing. We were rendered inestimable assistance by (Pak Den Ay) and her husband (Kim Yem Bom). They procured two suits: one was clearly too small, the other fit. I said: "Well, try sitting down!" Kim sat down, and his pants split below the fly. (Pak Den Ay) cheered us up: "Never mind! I'll solve the problem in a flash," and she sewed up the fly. A normal, everyday occurrence.

In the yard I took a photograph of Kim Il-song in this suit, sporting a striped necktie. This was the first photograph of Kim in Korea. It was in this suit that he attended the Communist Party congress.

First Communist Party of Korea Congress

Kim's first step en route to the throne was the Communist Party of Korea congress held on 28 August 1945 in Pyongyang. For some reason or other, our historians have little to say about this congress; the Koreans, on the other hand, are simply silent.

We had not shown up in Pyongyang as yet, but the date of the congress had been fixed. Moscow knew nothing about the congress that was being convened. Those who initiated the convening of the first congress were the Communists who in the 1930's had been sent into Korea along Communist International Executive Committee, Profintern, and Communist Youth International lines. (Kim Yem Bom), Vera Tsoy, and their comrades may be put in this category. They joined this work as soon as they were released from prison, and their actions were perfectly justified; they were of the sole conviction that Korea should be together with the Soviet Union.

The Korean Communist Party had been distinguished by factionalism and was dissolved in 1919 by a decision of the Comintern Executive Committee. Now Moscow remained silent: Banning it was impossible; the mechanism of the convening of the congress had been engaged.

General Lebedev, member of the Military Council, demanded that we get Kim Il-song ready for the congress and present the Russian text of his speech on 25 August. Three days remained. We set about writing the speech. The text was ready in half a day. The approximate contents of Kim Il-song's speech which I handed over to the Korean Workers Party History Institute 40 years later are as follows: "The role of the Soviet Army in the liberation of Korea, urgent tasks of the Communists for creating and strengthening the organs of power, the land issue, and Lenin's theory of the building of socialism and its application under the conditions of the Korean revolution."

General Lebedev approved the contents. "Get Kim ready," he said. We began to translate the speech into Korean, then gave the speech to Kim for him to study it (it was approximately five typewritten pages). We were well aware that he had while in the international brigade studied Marxism-Leninism for three years and that this speech would not be very difficult for him.

The congress opened in a red-brick home. It was arranged that (Kim Yem Bom) would nominate Kim Il-song for the Presidium and give a brief description of his services to the people.

And here was Kim in the Presidium. He spoke on day two. A section officer from the ranks of our Koreans who had checked his speech against a second copy notified me: "All is in order. He interposed only a few words." I asked Kim in the future to insert fewer of his own words.

We received the instruction: No decisions to be adopted at the congress, no working bodies to be elected, elect an organizing bureau, and work on the program and rules. Kim submitted precisely these proposals. They were adopted. Moscow's hand was being felt already. Moscow's decision to form an alternative party was adopted subsequently and transmitted here, to Korea. The formation of this party was entrusted to Kim's best friend—(Tsoy Yen Gen).

Subsequently a joint congress of the two parties was convened. The Communist Party and the People's Party united. The Workers Party of Korea was formed. Kim Il-song was elected general secretary of the party.

Moscow evidently believed that by manipulating the names of the parties it could fog the brains of its ideological adversaries. Such party conversion became the fashion.

The Next Step

Following a recommendation of Vera Tsoy, in this third week of August we selected for ourselves apartments in homes that had previously belonged to Japanese.

Kim Il-song took up quarters opposite (Kim Yem Bom). My apartment—next door to Kim's—was separated from his house merely by a low fence and a slope. Further on, behind me, was (Tsoy Yen Gen)—the future minister of defense—and next to him, (Mu Den)—commander of the new military formations of Koreans. So we rubbed shoulders with the future leader daily.

Moon (I forget his last name), who had been released from prison and who had a good knowledge of Russian, became infected with the idea of the immediate formation of a youth union of Korea, although he was already around 35-40. We reported this to higher levels. Colonel General Shtykov, who had assumed the office of ruler of Korea on

the part of the CPSU Central Committee Politburo, gave the go-ahead, and the work began.

I was entrusted with preparing the Democratic Youth Union Rules. I did not spend long thinking about it and took as the basis the VLKSM [All-Union Leninist Communist Youth League] Rules. Moon and I got together in my apartment, extracted from the VLKSM Rules what, in our opinion, was unnecessary, and added what could impart to the new union a national coloration. It was reported to Shtykov. He approved. We prepared a very brief speech for Kim Il-song. It was decided: Let the delegates say all that they want.

The congress opened at the end of October (at the start of November, possibly). Moon delivered a prepared report. Then, to applause, Kim Il-song spoke. A bureau and bureau secretary—Moon—were elected. The young people accepted Kim as planned.

The press and radio gave the congress and Kim Il-song's role in the formation of the Youth Union extensive coverage. Kim Il-song ascended one further rung of his Olympus.

KGB General Anokhin Made the Decision

A prominent place in the history of the national liberation movement of Korea belongs not to Kim II-song but to Cho Man-sik, whom Lieutenant General Purukawa, fulfilling the decree of Emperor Hirohito, had been forced to release from confinement.

General Chistyakov accepted the surrender in premises in which the occupant for four days had been Cho Man-eik. The faith in him and the respect for him were noticeable. By the end of August the Pyongyang People's Committee had become the central committee and had brought all the provincial committees under its jurisdiction. The question arose: Whom to support? Moscow finally rested its choice on Kim Il-song, and to firmly establish Kim Il-song the machinery of the KGB was set in motion.

General Lebedev proposed that I present myself to Major General Anokhin, chief of counterintelligence of the 25th Army: "He has something going on there. He is requesting assistance in work with the captive Lieutenant General Furukawa." I reported to General Anokhin; he was interrogating Furukawa. Anokhin was seeking an answer to the question of how Cho Man-sik was released. The Japanese general had allegedly told Cho Man-sik: "People's committees are already being organized there. Go and take the position of committee chairman."

I expressed doubt. Furukawa had simply let fall the words: "People's committees are being formed there." "I will write down," Anokhin told me, "that Furukawa installed Cho Man-sik as chairman of the Pyongyang People's Committee." I did not at that time believe that the KGB could operate so crudely. This is precisely what happened. After this entry, Moscow sent for Furukawa, and Cho Man-sik was declared an agent of Japanese imperialism. Thus began the displacement of the hero of the national liberation movement.

It subsequently became known that Cho Man-sik had in recent days been conversing by telephone with Southern Korea, Seoul, Syngman Rhee, his associate in the struggle. All this was in the press and on radio. The hero of Korea had become its enemy, and Kim Il-song, whom we had installed, a hero.

In the latter half of October (?) Cho Man-sik was placed under house arrest, and I do not know what happened to him subsequently, but it is firmly believed that he was removed as an obstacle to the development of our candidates.

All means were employed to discredit a person who had lost his health and who had renounced all earthly blessings for the sake of the freedom of Korea. It was impossible for anyone to raise a voice of protest. The KGB operated crudely, but productively.

Kim Il-song stepped over the rung over which the corpse of Cho Man-sik was draped and ascended to a third, higher rung. Moscow's will was done.

The Main Test for the Office of 'Great Leader'

The decision was made at the top: Prepare and stage a mass meeting, at which Kim Il-song is presented to the entire Korean people. This meeting was scheduled for 14 October 1945. Its venue—the stadium at the foot of Mount Moranpong. All the provinces were invited.

It was necessary by the time of this meeting:

- —to have shown that Kim Il-song was a real person, that Packtu Mountain tiger about which the press was speaking:
- -to have widely publicized the venality of Cho Man-eik;
- —to have staged a meeting between Kim and his relatives (to have found them, wherever they were, and to have brought them to the village of [Mangende], which is 13-14 km from Pyongyang);
- —to have exposed the "false" information of the South Korean press and radio to the effect that Kim Il-song was not Kim Il-song but someone else—a figurehead;
- —to have proven that Kim had been engaged in active fighting against the Japanese aggressors and had liberated the motherland. To have shown at the same time that Syngman Rhee was a puppet of the United States and lackey of the American imperialists.

There was a great deal of work—the entire machinery had no time off. There were sleepless nights also, but we coped and sharpened the teeth of the Paektu Mountain tiger.

In the embassy lobby, (Kvon Khi Gen), ambassador extraordinary and plenipotentiary of the DPRK in the USSR, showed me a huge portrait of Kim painted on the wall. Alongside was a blue lake, and behind the lake there was a village with little houses in the style of a Buddhist retrospective. I said that I had not seen anything like that at that time. "This is (Mangende)!" he said. I visited this (Mangende) twice. Some relatives were brought to the village, correspondents were summoned, and the squalid peasant houses were

photographed. This went on until 14 October 1945. We asked our superiors: "What should we do? They are putting. Kim's portraits in the columns in front of Stalin's." "Let them put them in front of Marx's, even," was the response.

I would like to explain in advance that my comrades and I, everyone who worked with Kim Il-song at that time, did their duty knowingly and with a will on preparing him for work—it was impossible to do otherwise. In addition, our attitude toward him, as a person for whom it was difficult getting into the part, was good!

As of 1 October, it was announced on the radio several times a day that a meeting would be held at Moranpong Stadium. The words: "It is possible that Kim Il-song will be present at the meeting!" "It is possible that Kim Il-song, the leader of our people, will be present at the meeting!" "It is possible that our legendary hero will be present at the meeting!" and so forth, were inserted in every announcement here.

The speech, on which not only we but also the superior authorities worked, was of a program nature. It was not one of those hastily concocted speeches that our section used to prepare, but a considered, serious speech, which had even been perused in Moscow, possibly. The meeting was more than successful. We had taken a larger step toward Kim Il-song's ultimate assumption of the office of chairman of the People's Committee. Cho Man-sik had gone. In two months we had made Kim the leader, and subsequently, several years later, he would become "Great."

The Grenade's Flight Trajectory

One further large-scale political demonstration was planned: holding a mass meeting devoted to the friendship of the Korean and Soviet peoples. It was decided to time it to coincide with National Liberation Day.

In the columns, on the viewing stand, and on the buildings adjoining the railroad station were appeals for the eternal friendship of the two peoples. A letter from the Korean people to the Soviet people was read out from the stand. It contained, as we had thought when we were preparing this letter, the felicitous thought suggested by Senior Lieutenant Cho Ki-chong, who worked on the newspaper CHOSON SINMUM: "As long as the shining waters of the Tumen River flow and as long as the magnificent Paektu Mountain stands, the friendship of the Korean and Soviet peoples will grow and strengthen."

I wrote in my recollections for the Workers Party of Korea History Institute: "I was getting ready to take my amateur closeup. I heard a hissing and saw smoke. A grenade, which by chance did not make it into this shot, in which representatives of the province of Sinuiju were seated on the steps of the viewing stand, was flying toward the stand. Junior Lieutenant Ya.T. Novichenko, who had with his platoon been assigned to the detail maintaining order and looking out for the security of the persons on the viewing stand, was standing next to me. In a split second he had climbed over the two steps and grabbed the grenade, but was not in time to hurl it away from the stand. The grenade exploded. He survived. I raised up him slightly. Two soldiers of the

Korean People's Army and his platoon sergeant took hold of the wounded man and dispatched him to the hospital.

The viewing stand was no less than 30 meters long. Section Chief V.V. Kovyzhenko was standing on the platform three meters from the explosion. The authorities, including Kim Il-song, were 30 meters away, in front of the left microphone. This explosion of the home-made grenade could be heard by a negligible part of the participants in the meeting standing in front of the platform. The powerful voice of (Kim Yem Bom) conveyed this incident to the inhabitants of the vhole city. The entire blame was heaped on Syngman Rhee and the American imperialists. The explosion of the grenade added, as it were, to our arguments in the anti-American propagands.

Illustrating this action earlier had been impossible. Everything was classified. The propaganda wave was raised later. Particularly when Kim Il-song made his first tour of the countries of the socialist camp from 16 May through 1 July 1984.

Novichenko's exploit became an exploit in the name of Kim Il-song and the salvation of Kim Il-song.

It was written that Novichenko, standing on the platform, had jumped up and grabbed the grenade, which was allegedly flying toward the place where Kim Il-song was standing. I looked into this version with Yakov Tikhonovich himself: We established that there had been no such trajectory—the grenade was flying toward the area in front of the stand, to its right. It was then that doubts and questions arose with us:

Why had we stuck to the version to the effect that the grenade was flying straight toward Kim II-song and that the junior lieutenant had leaped up (Colonel General Chistyakov, commander of the Army, was not present on the viewing stand but describes the scene such as to indicate that he saw the way the grenade was flying and how Novichenko had leaped up)?

Why was the home-made grenade thrown by the agents of American imperialism so feeble? If it had not been picked up, the officer could have gotten away with a lighter wound. A woman standing alongside sustained a slight leg wound, and elderly people sitting next to her, back injuries, but those who were two or three strides away on the viewing stand (Major Kovyzhenko included) were not injured. There was no intention to shoot to kill, evidently.

Were the opponents of the new system unable to find if only one real grenade for Kim Il-song?

There is no clear proof that the explosion was staged. Nor was this in any way apropos at that time. The trajectory was changed. Was this really important? What was important was that the trajectory of the entire course of social development of the DPRK was warped, just like that of the grenade.

I would observe that at meetings held prior to this the leadership had always been at the center of the platform. On this occasion it was for some reason or other on the left side of the lengthy stand. And the grenade was thrown at the

right side of the stand, where the guests or minor officials were positioned. So the action did not pursue the aim of assassination of the "leader of the Korean people," the aim was to create a big political outburst among the people and rouse them to hatred of the American and Syngman Rhee regimes. And, of course, to exalt Kim Il-song. The KGB's action produced "positive" results.

The explosion of hatred for the Syngman Rhee regime in Korea was for our country undoubtedly more valuable than the right hand of a junior lieutenant.

How the 'Great' Kim Il-song and K.U. Chernenko, General Secretary of the CPSU, Made a Film About the Great Friendship

From May through July 1984 Kim Il-song paid visits to all countries of the socialist camp. A meeting with Yakov Novichenko had been prepared for him on the platform of Novosibirsk Station. "He warmly embraced the Siberian" and...."called him a symbol of Korean-Soviet friendship." Prior to this, a decree on the conferment on him of the title of Hero of Labor of the DPRK had been registered.

At the talks with Chernenko, Kim Il-song proposed the shooting of a two-part feature film, the basis of which was to be Novichenko's exploit. The proposal was joyfully accepted, and....the wheels were set in motion. Features on Yakov Tikhonovich's exploit had appeared in SELSKAYA ZHIZN, SOVETSKAYA ROSSIYA, and KRASNAYA ZVEZDA by this time. The shooting of the film was entrusted at the Mosfilm [Moscow Feature Film Studio] to the famous director Eldor Urazbayev.

Since it was impossible for the film not to contain operations of our troops in the liberation of Korea, I expressed my doubts in a letter to Shauro, head of the CPSU Central Committee Culture Department, dated 23 January 1985 as to the possibility of a correct illustration of our Army's operations and declared plainly that Korea would in the film, evidently, be liberated by Kim Il-song himself. I received a reply, the meaning of which was that it was not my business and that I should keep my nose out of these matters. But since my brief essays had been carried in two newspapers, Mosfilm decided to invite me for a consultation. At an enlarged session of the Mosfilm Party Committee, I and Novichenko were asked many questions about Kim Il-song and the action of Yakov Tikhonovich. In the end I declared: "The film will not be a success. Our Korean comrades will make it such as to suit Kim Il-song."

In a private conversation with Director Urazbayev, I had asked that the filming of the mass meeting show hanging on the viewing stand a poster about Korean-Soviet friendship, although I knew in advance that it would not contain even this trifle either. Kim Il-song's national socialism expressed in his Chuche philosophy was too strong.

The film was made. Kim Il-song routs the Japanese forces on land and at sea. The Soviet Army appears indistinctly somewhere here and there. He fights his way to Pyongyang. Victory! The shots of the operations of our troops and others taken by Urazbayev were not found suitable.

Who Are These 'Bad People' and How Many Are There of Them

At a dinner given by (Kvon Khi Gen), ambassador extraordinary and plenipotentiary of the DPRK in the USSR, the guests and the host were scated at a round table. Behind each guest was a young Korean woman in national dress. Accompanying us was an agent of the KGB. This had long been the custom, evidently—any visit to any embassy would be accompanied by the attachment to the guests of a KGB agent. In this case he was called a representative of Mosfilm.

In the course of the dinner, the ambassador invited us into the film hall to view a film on the great leader's visit to the socialist countries. In color and with skillfully chosen camera angles, it made a dispiriting impression on me. Kim Il-song in splendor, one foot forward, his face radiant, his mouth, as always, half-open, his service jacket of the Stalin-Mao Zedong cut. Chernenko looked frail and bowed. He looked the same next to Honecker, Zhivkov, Ceausescu, and others.

At table, after the showing, I was asked: "Whom else did you know?" I replied: (Kim Yem Bom, Pak Den Ay). "They are bad people!" (Kvon Khi Gen) said. I recall Kim Tu-pong, who became chairman of the Supreme People's Assembly Presidium. "What do you mean, what do you mean? He is a bad person!" the ambassador said. All right, I thought, I'll talk about (Tsoy Yen Gen), Kim's best friend. They ate cabbage soup together for three years at Khabarovsk, and, in addition, in the Korean adventure of 1950-1953 he held the position of secretary for defense.... He proved to be a "bad person" also.

"And what did you like in the field of art and culture?" I recalled a wonderful ballerina, about whom our press was writing at that time—(Tsoy Syn Khi). I attended her concerts. Star of the East was what she was called even in Southern Korea. I had not finished speaking about her before the embassy secretary interrupted: "No, no! She is an enemy!"

No one knows how many "bad people" there were in the DPRK. Perhaps there were even more relative to its population of 11 million than with us.

Parameters of Honor and Conscience

In 1946 at mass meetings in Pyongyang in honor of May Day and the anniversary of the Great October, balconies, fences, and walls of houses were covered with posters devoted to the 20 years of generalship of Kim Il-song. We subtract from 1946 the year in which Kim Il-song was born. We are left with 34. We take 20 from 34 and are left with 14. This is the age at which the military commander was born. In our times he is a generalissimo.... Mankind has yet to devise a higher rank for Kim Il-song. But what is most interesting is that at the age of 14 he had not even completed the seventh grade of the Chinese rural school and could not read and write properly.

I have in front of me a work of his son, Kim Chong-il, written on 17 October 1982, a work of that same Kim Chong-il, who, still in short pants and seated on his father's lap, took aim at me with a pistol in 1946. The work is called

"The Workers Party of Korea—the Chuche Revolutionary Party—Inheritor of the Glorious Traditions of the Anti-Imperialist Alliance." This "study" was devoted to the "56th anniversary of the founding by Comrade Kim Il-song, the great leader, of the Anti-Imperialist Alliance—AIA."

We subtract 56 from 1982. We are left with 26. We subtract the year in which Kim Il-song was born, we are left with that same 14. He was at this 14, apparently, not only a military commander but also a great politician. Where did Kim get all this from? It all came from us. We taught him to lie. In 1945 he was unable to put together decent notes for a speech at the political classes, despite the program's demands for the study of Russian, and had not in three years mastered the basics of Marxism-Leninism, and 19 years before this he was the outstanding founder of the AIA.

"In 1926, having formed the AIA, he took" (as his son's work says) "the helm of the revolution and transformed Northern Korea into a country of model socialism."

In the meager pamphlet Kim Chong-il calls his father the "Great Leader" 60 times. In an illustrated magazine in Russian—KOREYA—the authors of various articles call the leader's son, Kim Chong-il, "beloved leader" 40 times.

They outdid us. We had this also, but somewhat less. They are from that same CPSU Central Committee Politburo mold loaded with the ready-made cadres necessary for the victory of communism throughout the world.

Speaking about the role of the philosophy of Chuche, Kim Chong-il, the son of the great one, writes: "It is essential that we continue to move steadfastly forward along the revolutionary path, which starts from Paektu Mountain, and brilliantly complete the Chuche revolutionary cause, the cause of socialism and communism."

In addition, Chuche philosoph: in the opinion of the son, "should be the theoretical basi for the victory of communism worldwide and should raise the value of man to the highest level" (Kim Chong-il. "Conversation with party officials dealing with questions of theory, 2 April 1974").

What, in fact, is the point of reproaching Kim II-song and gauging the parameters of his honor and conscience? He is, after all, copied from us. He is as we used to be. We had the same military commanders and theorists. We extolled him and praised him in such a way that he did in actual fact decide that he was great. It is hard now to persuade him that he with his mumbo-jumbo—Chuche philosophy—is an ignoramus.

General Shtykov ordered me by telephone to take in at my quarters Kim's friend—Wang Song, commissar of the international brigade—and not let him out. But Wang kept asking and asking to see Kim. I reported to the general that Wang was dying to see Kim. "All right," the general said, "take him, but have him back by nightfall."

....We drank vodka, then wine, by the glass. We switched to tumblers. Kim's wife and soldiers served appetizers. At my request we all switched to Russian. Wang, a head shorter than Kim, animated, agile, spare, drank and did not become intoxicated. But Kim turned sour.... "They will get to know

about us yet.... We will be appreciated yet?" he said. He was not mistaken. We got to know, we cultivated, and we appreciated. So who is he? Not, of course, a military commander, not a theorist, and not a philosopher, and a leader in the broad meaning of this word even less. A simple and obedient border-crosser who came within the sights of our intelligence authorities. More precisely, he was more obliging, far from having any ideas of his own, and capable of repeating what was suggested to him.

In the European socialist countries, the leaders were selected the same way. If they went wrong, they were replaced, and new ones were picked and installed. But here, forever, and with Asian singularities and brutality.

In Korea we were frequently asked about other Kims, and names were cited. But this was no longer any use to anyone. The choice had been made. The raw "product" was polished up and brought to a shine. And, as you can see, we produced quite a shine!

Well, all right, I thought at that time, we have glorified him in order to have our man in foreign parts. But we now we must stop. Let his own nation, his own people, appreciate him.

KAZAKHSTAN

Taldygorghan Oblast Governor Discusses Current Conditions, Problems

944K0465A Almaty YEGEMEN QAZAQSTAN in Kazakh 20 Oct 93 p 2

[Interview with Serik Shayakhmetuly Aqymbekov, recorded by Seydakhmet Mukhametshe: To Establish the Power of the Nation.]

[Text] [Mukhametshe] Serik Shayakhmetuly sir! Four months have passed since you took over the administration of the oblast. Have you been able to make plans for the tasks you plan to accomplish? What have investigations of the present status of the oblast economy shown.

[Aqymbekov] It is true that time moves on. A great deal of time passes before you know in Present difficulties are well-known to the people. We cannot say that the economic crisis in our country has left our oblast untouched. Conditions are in truth nothing to feel at ease about. During the last seven months, production of industrial products declined by 4.8 percent compared to the same period in 1992. Conditions in agriculture are likewise poor.

[Mukhametshe] The primary wealth of the oblast lies in cattle and crops. These two sectors are also in difficulty. Increases in livestock and production are below 1990 levels. What is the reason?

[Aqymbekov] This is a good question. The smaller increases in livestock and in production are alarming us. In particular, during the last year 15,800 fewer large cattle, 86,300 fewer sheep and goats, 3,200 fewer horses, and 30,300 fewer pigs were produced. These are not good signs. When we talk about agriculture, we must not forget that, above all, this is the sector which provides food to the people. If the economic crisis continues, it is doubtful that we will be able to get out of our circle of difficulties. Today complacency and irresponsibility have become endemic. There is no profit where there is no order. This being the case, what should we do? We must put our efforts into unwavering fulfillment of the edicts of the president of the Republic of Kazakhstan. We must do this if we are going to put a forceful halt to the deficiencies and the inadequacies which have arises your society. We, for our part, are not sitting on our ha. have taken in hand some specific measures for the de elopment of animal husbandry. We are in the process of car out important measures in the delivery and the storage of agricultural products. It will not be possible to put things to rights in a single day. We are thinking in terms of gradually restoring balance. However, it is important that the economic independence of agriculture and industry be protected. We will need the active assistance, above all, of organizations protecting rights in dealing with questions of order.

[Mukhametshe] It would seem as if you have formed your own shadow government in the area of agricultural management: rural areas are now managed simultaneously by the Agricultural Inspectorate and by the Awyl Industrial Corporation. Just how efficient is this?

[Agymbekov] At one time everything was in the hands of a totalitarian system. At that time the administrative organs were the support of a command system. Now times have changed. Property has gradually moved from state supervision into the hands of labor organizations and of individ-uals. Giving orders to them as was once done by administrative organs is contrary to law and is not much needed. We must change and reform administrative organs in accordance with the needs of the times. Based upon just this principle, we divided the former agricultural administration into two parts at the beginning of the year. We went over to an oblast agricultural administration and an oblast inspectorate for the agro-industrial complex. A second structure, the Agro-Industry Commercial Corporation, provides services to enterprises and is involved with organizing their work. Such changes in organizational efforts will certainly be producing results soon. In any case, a great deal depends upon the carrying out of economic reforms.

[Mukhametshe] We think that the primary way of getting out of the economic dead end which is exhausting us is the market economy. However, we are encountering managers who are taking advantage of the difficulties for their own benefit. When others are lacking for housing, such people have colluded, purchased houses, and rushed out to buy foreign cars. In particular, they seem to have taken advantage of the first stage of privatization for all kinds of tricks among the people...

[Agymbekov] The requirements of law were not completely observed during the first stage of privatization. It is now becoming clear what kinds of deficiencies there were. Due to a shortage of financing and a lack of building materials, construction of residential housing by the government was halted entirely. Residential housing was privatized. However, some persons in managerial positions got control of many goods at that time. If there were managers concerned about the people, they were in difficulty and unable to look after themselves. It is not proper to be extremely smug and to say that this is what was involved in privatization. There is always a need for a sense of civil honor, humanitarianism, and humane intentions. Do not our people say: people live with people.

[Mukhametshe:] In order to raise the level of the oblast economy we have no choice but to carry out exchanges and trade. In this connection, what can you say about external economic connections? Are there goods which you can export?

[Aqymbekov] We must systematize our external economic connections. With this goal in mind a special coordinating committee has been formed in our oblast. There are now functioning in the oblast 26 consolidated industries. We are in the process of establishing profitable and effective relationships between our oblast and countries such as China, Turkey, Korea, and Italy. There are some enterprises which have emerged as a consequence. Specific plans are being drawn up regarding various projects, including the construction of a paper combine in Taldyqorghan City. One thousand hectares of sugar beets were planted this year using advanced French technology, 600 hectares were planted using German technology. Likewise, we plan to grow grain

on 15,000 hectares using Hungarian methods. Great assistance is being rendered on the part of the government of the Republic with regard to the introduction of advanced technology designed to increase agricultural productivity.

Our oblast in economic terms has an agrarian character. For that reason, we import much more than we export. There are outstanding export products. Among the various kinds of products, demand for storage batteries and sugar beets is the greatest. We can meet, at certain levels, demand for onions, meat, and milk products. We are seeking new channels of communication in our efforts to deliver needed goods and implements to the people of the Zhetisu, utilizing all our existing resources.

[Mukhametshe] It is proper that foreign investors have been brought in. However, Taldyqorghan is a border oblast. It is possible that among those flowing into the oblast from outside are certain other persons along with those with friendly ideas. In particular, the people have been extremely alarmed by the news that many from our great neighbors to the east are settling in the oblast.

[Agymbekov] We must rely on foreign investors for the development of the oblast economy. The geographic position of the Zhetisu is very convenient for external relations. We must utilize this productively. I understand that there are things alarming the people. However, should we fail to take advantage of favorable circumstances? There are the appropriate authorities: they will look into the circumstances of the question. There are rumors that persons from a neighboring country have been entering illegally. This is not true. To be sure, there are people entering the country. Most of them are involved in commerce. In short, we are looking into this question carefully. It is proper to avoid raising the alarm among the people or stirring things up with idle words and lending credence to every rumor we hear.

[Mukhametshe] There is another question which I am dying to ask. In recent years our relatives and kinsmen in foreign countries have migrated. Among them are masters of various specialties. However, we have been unable to place those newcomers in their chosen specialties. Why have they been sent out to herd sheep? Is there no other possible occupation for a Kazakh than herding sheep?...

[Aqymbekov] It is to be sure a joy that our kinsmen in distant places are returning to the homeland. What Kazakh is there who is not rejoicing about this when they encounter one another? Is there not the proverb: if one extra sheep is born, a little bit more wormwood will grow?... Since 1991 more than 850 families have moved to our oblast from Mongolia and the CIS countries. Just recently 126 families from Iran have settled in the Zhetisu. We are doing everything we can to help them. We are providing them aid in the form of housing, livestock, material goods, and money. We are providing a work placement for our migrant kinsmen. We try to place them in area of their specialty. Placing those with the specialties of teacher or doctor is not very difficult. However, it is not easy to place our relatives with specialties in the agricultural sector. Second, everywhere workers are being laid off in connection withthe transition to a market economy. For that reason we have taken in hand the

retraining and preparation of our migrant kinsmen in needed specialties. Just now 76 persons are acquiring new specialties in the oblast. As for sending them off to herd sheep: herding sheep is our traditional occupation. Have we not for generations, when asking how are you, first about the cattle and then about the person. It is not proper to denigrate this occupation or to detract from it. You understand that your question is out-of-date. In those days did we not scare a child who was poor at his school work with the occupation of herdsmen?.. In my view there are no good and bad jobs.

[Mukhametahe] In any case, when the president named you governor, he gave you all [necessary] powers. The new governor has the right to form a new administration. You are working with the old apparatus. Are you satisfied with their work? What changes have you made in cadre matters?

[Agymbekov] I was born in the oblast. I knew from before not only the circumstances in the Zhetisu region and the state of the economy, but most of the cadres in the administration. The spirit of the times and the changes taking place require competence from managers and specialists, new thinking and a carefully considered citizenship. For that reason, in choosing and in placing persons to govern the nation, my first priority was whether or not they embodied such characteristics. During part of last year I held an official post in Almaty. It is now a time of rapid social change. During these times the lives of most of us and out views of life have changed. During the time that I have been governor of the oblast, I have looked with very critical eyes on some serving with me. I wanted to determine what kinds of changes had taken place in themselves, in their views, and in their work styles. I noticed that many cadres were unable to work at levels demanded by life. In any case, it seems as if some citizens have not put down their foundations distant from what is old. For that reason it is clear that changes are being made in the cumposition of cadres. Relying on those able to meet the demands of the times, I am making an effort to fulfill the great tasks which stand before me. I am putting new thinking young people into the positions of cadres who learned their lessons from yesterday.

[Mukhametshe] You are a regular reader and regular author of YEGEMEN QAZAQSTAN. You have given many interviews. You have written articles on specific problems. We thank you for your activism. As you know, there is the rubric in the paper: Be a Governor Close to the People. Do you like these words?

[Aqymbekov] If I can go a little more deeply into your thought: a governor is only a person who holds a leading public office. But how far from the people is that official personage? Only after becoming part of the people was he named governor. Thus, I think it natural that a governor should remain close to the people. From that point of view, I think that I am never far from the people. However, everything else depends upon the person in power. For example, are we not products of the trials of life along with such characteristics as thought, knowledge, ideas, humanitarianism, and control. I think that your papers rubric aimed at a new time, at a new point of view.

[Mukhametshe] Governor Aqymbekov, what should the Kazakhstans state ideology be like? Recently we have become embroiled in history and are taking all periods into consideration. Whatever the circumstances, Kazakhs are divided into clans and are endeavoring to praise their ancestors. What do you say to this?

[Aqymbekov] It is a social law that there should be a national state ideology for a sovereign country. However, what should this ideology be like? If we begin the discussion of the question from this point of view, and, if we look primarily at the past, we will commit a great error. This is the same as not tying up the lattice work of a felt yurt and letting an old tent rot. For that reason our national ideology must develop from our Constitution, from the supreme law of the land. If we are unable to establish a new national-state worldview, if our thoughts are full of a hodgspodge of ideas, it is possible that we will encounter a spiritual crisis. If we do not think now about future generations, then our struggle for independence, and all our good intentions, will be in vain. The riches of Kazakhstan are not just for present generations. They must become the property of future generations too. A Republic of Kazakhstan feelings of pride. To this end, it is right to support properly all of those with good intentions in the formation of ideas.

We must know our history. Our wise people have said: if a horse is driven away, it is the enemy; if it pounds, it is the wind. For that reason, we must reject division into clans and put effort into making our independence constant. There were not a few occasions in the past when we were divided from one another. Let us somehow become a powerful nation with strong unity. For that reason it is proper that we devote our entire lives to this soal.

[Mukhametshe] Thank you!

Qyzylorda Oblast Governor on Effects of Sovereignty on His Oblast

944K0466A Almaty YEGEMEN QAZAQSTAN in Kazakh 23 Oct 93 p 3

[Article by Seyilbek Shawkhamanov, governor of Qyzylorda Oblast, Kazakhstan peoples deputy: We Have Planted Seeds in the Garden of Sovereignty.

[Text] The Kazakhs have said: it is easy to get married, difficult to establish a household. We have obtained our sovereignty. Now we must think about becoming a nation and forming a large country which, on a basis of equality and on the same level with all the civilized nations, will be able to express itself politically and produce economically. That is no easy task. To achieve it we must renew our thinking, renew way we organize, and renew the way we carry out our tasks. It is a wonderful thing that all the internal and external policies of the head of the state and of the government are being directed at such objectives, and that ways are being sought for getting out of the crisis through economic reform. It is a good thing that an effort is being made at the presently ongoing session of the Supreme Kenges to look in detail at drafts of laws suggested for the agenda of parliament members, to discuss them carefully,

and to look at problems from the point of view of the people. All of this is the result of the freedom and liberation which we have attained. It is a great achievement and a great spiritual victory that the people have gained the right to think about their own affairs, to collect themselves, and to look at the present and the future.

The special quality of sovereignty is that our nation has been awakened, that we have returned to our language and our religion, and that we have obtained freedom in regulating our lives and in going about our businesses. It was no secret that, during the time we were under the rule of the former Soviet Union, we had to keep our peace in the face of the disorders of a planned economy, that we were hesitant to oppose it, and that, when we gave a blessing at the head of the table, we were unable to console ourselves and we carried a burden in our hearts. The demands of independence broke those chains once and for all. Now, as is completely obvious, we have taken the economic reims into our own hands, and have acquired power as a result of laws on local self-government. We are revitalizing the important customs and traditions of our nation. This means that no one can slap our hands. What else do we need? We must know how to organize. We must think about efficient ways to achieve this, and we must seek practical means for raising living standards. In any case we cannot say that we have solved all the critical and difficult economic questions, and that we have eliminated all the difficulties plaguing the people during two years. That was not possible. However, it is true that we have accomplished noteworthy things in strengthening the nation and in laying the foundations for tomorrow.

Le us take my oblast as an example. When Qyzylorda was once mentioned, the image of rice flashed before peoples' eyes. It is true that the foundation of our economy is rice growing. This is because this was the way it was before. It was decided from above what a given region was to be involved in. Instructions came down from above as to what crops were to be planted and what products produced. This is the value of independence: now we ourselves decide what we need, and how to produce it. This year we obtained an increase of 105 from every hundred adult animals in the oblast and have become one of the leaders. We have harvested 47 centners from every hectare of rice. Likewise, we are undertaking measures to supply the inhabitants of the oblast with local vegetables, fruit, and berry products. At the end of the harvest we had threahed 60,000 tone of golden grain. By way of comparison, this was 100 kilo each for every inhabitant of Qyzylorda, from the crawling baby to the bent old man. All of this, in a word, we understand as the fruit of freedom provided by sovereignty.

Everything, in addition to its positive side, has its down side too. We still do not understand the meaning of democratic processes. We are not managing economic reform exactly right, and we have made erroneous decisions restraining energetic development. Difficult days have now begun to be experienced in agriculture. Products are being produced, economic indicators are high, but this is having a limited effect on maintaining living standards. There is disorganization in the pricing system. Wages are becoming worthless,

and there is looseness in finances and in banking. There are deficiencies in the policy of social protection. All of this makes any fundamental change in agriculture impossible. We are independent. Whatever the decision, we have the right to take it into our own hands as we see fit and according to circumstances. While this is the case, up to the present we have been unable to liberate ourselves from the lasso of higher powers. Nonetheless, the view has been expressed by those managing the state that we are free to use agricultural surplus for state needs at the rayon and oblast level. In fact this is not so. The reason is that there are licenses and quotas set by the state. We cannot avoid them. Is that freedom? Rather than benefiting by such limitations, which free us on the one hand and tie us up on the other, we are, in my view, being harmed. We have truly gone over to market place relationships. Is it not proper then that we should now be totally free in all ways? To tell the bitter truth, things like trying to solve the agrarian cadre question from a central authority is obstruction of the old type. If we cannot free ourselves from such a stereotyped psychology, it is doubtful that we will be able to strengthen our sovereignty, mobilize local people, and gain their understanding. I think that, while there should be supervision from afar, there is too much direct intervention in [local] administration. No one must have any doubts that managers of a region and local people know best the situation in local areas.

There are 32 sovkhones in our oblast concerned with sheep raising. As I mentioned above, they are among the leaders in raising livestock. Compared to last year, there was little loss and livestock increased. Nonetheless, we must increase the profits of sheep herders and the income of enterprises. However, more specifically, the problem is not this at all. The sheepherders and enterprises achieved such high rates of increase, but ended up at the end of the year with a debt to the state of 2 billion rubles. Likewise, there was no way to repay on time a loan of 20 billion rubles obtained by the government. Why? The reason the loan was late was because of problems arising from failure to take agricultural production costs into account and because of price instability. What must we do now? The 32 sheepraising sovkhozes makeup about half of the state enterprises in our oblast. Should we rely on privatization to break them up? These days there is little to be gained by privatization. For that reason special attention to agriculture must be shown by the government. Nonetheless, it would be no surprise if, under present circumstances, we should choose to deprive ourselves of things which we now have in hand in the blink of an eye. It is no secret, tomorrow some sheepherders (and they are almost all Kazakhs) will be at the limit of their endurance. If we throw away their prop, what will we do then? On the contrary, while we express our thanks to them for looking after themselves and for their work of mercy on behalf of others, are we not forced to consider well-thought-out plans for restoring them morally, materially, and linking their enterprises?

Time is both judge and jury. Our present labor at the very beginning of independence will, as time passes, receive appropriate evaluation and be judged. One thing is already clear, the Declaration of Sovereignty, ratified three years ago, opened a new path for Kazakhstan. We have begun to exonerate our history which was for a long time dragged in the dust. We have renewed vanished spiritual riches. We have made a place in the hearts of the masses for the names of our khans, heroes, who guarded our nation in a time of difficulty, and who long ago knew the entire people. One thing should be mentioned in this regard: there have been pronouncements from the mouth of some to the effect that these [anniversary] celebrations are getting out of hand. At a time that is already difficult enough why are we wasting money here and there? In my view this is a sign of limited understanding. In fact, through our celebration of the festival of some hero are we not honoring the spirits of all the people who lived at that time and bowing our heads to all the people who suffered the visatitudes of a time? If our people take examples from the past, what fault is there in that? Whatever nationality a person is, they have a duty to defend their native land. It is fact that the heroism of our ancestors, who did not give in to hostile enemies, who faced them on all sides, is a lesson and a model for us.

In short, we have planted seeds in the garden of sovereignty. The roots are now striking deep, and we must struggle for an abundant harvest. The path we have to tread is, in any case, a long one. However, if we travel a distant road, will we not draw close [to our goal]? For that reason we will achieve something by pressing forward without considering the difficulty.

UZBEKISTAN

Refugee Camp in Afghanistan Said Attacked 944K0620A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 21 Jan 94 p 2

[Article by Oleg Panfilov under the rubric "Version": "Dustum's Air Force Drops Bombs on Tajik Refugee Camps in Afghanistan"]

[Text] HORASAN information agency, set up by Tajik refugee journalists in Afghanistan, distributed a report on two air raids on Tajik refugee camps in Kunduz—Davra and Maydoni Khavoi. According to the reports, aircraft without identifying markings conducted air raids on 6 and 16 January, which resulted in the death of a woman with a child and tens of wounded. The Tajikistan Resistance Council's headquarters confirmed that there had been deliberate air bombing attacks on the camps which, according to Western journalists' data, are home to about 20,000 refugees from the former Kurgan-Tyuba Oblast.

This essentially is the first armed attack on the refugees. There was an incident in the spring of last year, when an attempt was made to poison the people in the Sakhi camp near Mazar-e Sharif. As a result of this action about 100 people died and 500 were brought to Afghan hospitals. A man who had poisoned the water, which was brought to the refugees in cisterns, was apprehended. He turned out to be a Tajik doctor, who said on Afghan television after being apprehended that the action had been conceived by Tajik special services. In just one year a cemetery set up near the Sakhi camp, which is located in the steppe, grew to about

1,000 graves. A correspondent of the Japanese newspaper ASAHI, who had visited the Sakhi camp, told of the extreme hardships of refugee life.

Nevertheless, conditions at least are tolerable for the refugees in the Sakhi camp since it is the only camp monitored by the UN mission and the International Red Cross. Other camps in Afghanistan get their supply of food and necessary medical supplies from Mualim countries and organizations.

However, the situation that emerged in connection with the bombardment of Tajik refugee camps in Kunduz is quite explainable. After the unsuccessful storming of Kabul undertaken in the early hours of I January, General Dustum's units, which represent Afghanistan's Uzbek population and are actively supported by the Government of Uzbekistan, are trying to shift the strike onto the camps. Most likely it is tied to a large-scale action conceived with the purpose of liquidating Tajik opposition in Afghanistan. It is possible that the air force that conducted the raids on the camps does not belong to General Dustum, since it is known that his helicopters and airplanes are on territory controlled by Dustum's adversary, Afghanistan's former minister of defense, Ahmad Shah Massud. This happened after General Dustum ordered an air raid on Kabul but the pilots—mainly Tajiks and Pashtuns by ethnic origin—sided with President Rabbani. According to Tajikistan Resistance Council information, the aircraft without identifying markings come from the north, from behind the former Soviet-Afghan border.

The coordinating center of Tajikistan's democratic forces in the CIS countries has protested this action. The document distributed by it describes this as an attempt to derail the process of preparation for negotiations between the opposition and the current government in Dushanbe. There is no other explanation for terrorism against refugees. If this is the case, it becomes clear now that General Dustum has always supported a pro-communist coup in Tajikistan. The Tajik opposition believes that the United Nations and the entire world community should urgently investigate this incident and protect the refugees from an encroachment on their lives, whoever it comes from.

Deputy Minister on Reasons for Bread Shortages 944K0575A Dushanbe NARODNAYA GAZETA in Russian 18 Dec 93 p 1

[Interview with Sh. Odilov, deputy minister of grain products of the Republic of Tajikistan, by N. Vanichkin; place and date not given: "Bread Passion, or Someone's Misfortune"]

[Text] A neighbor of mine, a woman in her declining years, called Anntie Vern in everyday life, was an inveterate optimist. Even the harsh consequences of last year's events which are known to all did not shake her faith in a bright future. Nothing could shake her: neither the empty shelves in the stores nor the long waiting lines in front of the bakeries. And I, who am younger, could only only the unchakable faith of this elderly person. And once when I met Auntie Vern with a stool in her hand, of course, I could not help but ask her where she was setting out for at the break of day.

"To look after the grain," was my neighbor's answer. Our oldtimers' converentions in the entryway have now moved closer to the window where bakery items are sold. We get up a little earlier, we get in line, and we share all the news at the same time. And you might even end up without any bread. Sometimes a "alt-in" in front of the store for a whole day does not even help. Not a single bun makes its way to us poor pensioners. Everything is snatched away by the "poof follows"—young people. And what is surprising is that they take it away in eachs and God only known why they need so much.

[Vanichkin] What is the real reason for the severe interruptions in the supply of bread for the population that have occurred recently?

We asked this question of the deputy minister of grain products of the Republic of Tajikistan, Sh. Odilov.

[Odilov] The situation with bread has indeed become critical. And there are many reasons for this. Because of the higher cost and shortage in the food stores of meat and dairy products, the population has begun to consume more bakery items. The situation is exacerbated by the lack of small-denomination coupens at the trading points. When they are unable to obtain change from R5,000 or R10,000 banknotes, many people are forced to buy bread in excess of the norm. Panic buying is also stirred up by the so-called "wheeler-dealers" in independent trade who speculate in bread along with workers in the store. Much of it is acquired by owners of private farms to feed their livestock. And while in past years internal affairs organs did a certain amount of preventive work with those who use bread for other than food purposes, today, as you have noted, they cannot impose order even in the waiting lines in front of the bread stores. The situation is extremely critical with fuel and lubricants as well. Because of all this only about 40 percent of the city's trade points are supplied with bread products.

Enterprises of our branch, in spite of the shortage of yeast and other components, are over-fulfilling the daily norm for bread baking. And this—believe it or not—is more than 170 tonnes. We are producing even more than trade is ordering from us. We have adequate raw material and capacities. There are even possibilities of increasing production. The question hinges on the problem of prompt delivery of bakery products to the consumers. At the same time in the extremely difficult conditions with a shortage of the main food product one must be reasonably thrifty and use bread for food purposes. And trade workers and also buyers must be conscientious and prevent cases of violations in the sale of bakery items. One wishes to hope also that internal affairs organs will turn their attention to the operation of bread stores and also the illegal actions of certain wheeler-dealers in the speculation market. Otherwise it could happen that we would end up without enough supplies of raw material. And then panic buying could indeed lead us to a bread shortage.

[Vanichkin] Sharifdzhon Olimovich, you mentioned that there are possibilities of increasing the production of bakery products. In this connection I do not think it would be out of place for you to tell us about how things are going with the construction of the new capital bakery, whose production

capacities, as was anticipated previously, were to be introduced at the end of this year. How realistic are these expectations today?

[Odilov] So far there is nothing to boast about. Although we did intend to start up a plant by the New Year and make a kind of gift to residents of the capital, this is not likely to happen. And here it is not the collective of the enterprise under construction or the general contracting organizations involved in the construction of this facility who are to blame. The builders are working, one might say, day and night. And I am not saying this just to sound good. You yourself saw how they brought mattresses and blankets to the construction site for workers on the second shift. Now everything is set up so that at least one line with a capacity of 20 tonnes of rectangular loaves of bread a day will go into operation by the end of the year. Its startup will make it possible for us to relieve the critical strain in supplying the population of the right-bank zone with bread products. Of course, this is with stable operation of the bread and confectionery combine.

[Vanichkin] What is the reason for the adjustment of the earmarked plans?

[Odilov] The main one is the failure to make payments to Russia. Since April of this year we have been unable to settle accounts with our suppliers under agreements concluded previously. All the equipment we need is ready to send, the containers and railroad cars have been ordered, and considerable penalty payments are being "accumulated" because of their idle time. Naturally, our associates are becoming more mistrustful, and this, as you yourself understand, threatens our established relations. For example, the warehouse for bulk storage of flour today is in urgent need of solid-drawn tubes with an internal diameter of 75 mm and wall thickness of 2.5 mm. There are none in the republic. We signed a contract with the Moscow Tube Plant but we cannot pay for the deliveries. The payments are not going through. Thus because the money did not go through for an air compressor, 24 units of standard equipment have not been delivered. And what can you say. With a normal finance-credit system the plant would have gone on-line three months ago.

Workers of the main construction administration are letting us down too. We do not yet have the blueprints for the boiler, although they were to have been turned over on 15 October. I understand that the developers are now having difficulties with skilled specialists, but since they promised to prepare the documentation, they should be so kind as to do it by the earmarked deadline.

[Vanichkin] Sharifdzhon Olimovich, if the boiler is not working, no heat or steam will go to the production facility. Consequently even the one production line you plan to start up at the end of the year will not go into operation.

[Odilov] It is practically impossible to envision ahead of time the stage of construction readiness at which the failure would come. And there is no one to solve our problems for us. But I can assure you with complete confidence that one bread baking line will be in operation. The steam and heat will be produced according to a temporary plan from the

currently existing boiler at the Dushanbe bakery-confectionery combine. We have also solved the problem of the air compressor. Instead of the air collectors that are in short supply we plan to use receivers—the Pamir production association promises to deliver them to us. True, the work front is still not large, but in the next few days we intend to complete all the startup and adjustment work on the fourth technological line for bread baking. To do this we have organized brigades which are now inspecting all the equipment and working on two shifts.

The desire of the construction workers to solve the bread problem is commendable. But now they too need help. They are in extreme need of solid-drawn steel tubes, nonrusting electrodes or nonrusting welding wire, and bronze and brass faucets. Possibly certain enterprises or organizations have the aforementioned equipment. It would be good if any of them would help the construction workers. And we will agree to any payment conditions: transfer, cash, or barter. I hope that this request will not go unnoticed. The entire city needs the bakery, and this means that each one of us should be interested in its startup.

Path for Resolving Economic Crisis Proposed 944K0576A Dushanbe VECHERNIY DUSHANBE in Russian 20 Dec 93 p 2

[Crisis solution strategy: "Socioeconomic Crisis: Strategy of a Way Out"]

[Text] An entire kaleidoscope of different parties and movements, each of which is proposing its own strategy of a way out of the economic and social and political crisis, has appeared in the political arena at this time.

We offer for readers' attention the strategy of a way out of the crisis formulated by the Organizing Committee of the People's Party of the Republic of Tajikistan and the Executive Committee of the Tajik Association of Furtherance of the Cooperation and Progress of the Peoples of Central Asia (TASS PNTsA).

This strategy was formulated on the basis of specific features based on a scientific historical analysis of all the conditions of the real life and a recognition of the cultural, national, and historical traditions and customs of the peoples of Tajikistan and the use of what is best from the experience of the world community. It proceeds from the fact that there are real opportunities—the scientific and technological potential, the major industrial base, competent personnel—for overcoming the crisis in the republic.

The Organizing Committee of the People's Party of the Republic of Tajikistan and the TASS PNTsA Executive Committee believe that it is possible with prudent and professional government to considerably replenish the domestic market and increase the export potential and that it is still possible to halt the outflow of the Russian-speaking population and the interconnected processes of the impoverishment of society and the decline in production. It is essential to this end to undertake in practice economic reforms and privatization in order that they serve the emancipation and recovery of the economy; to transfer ownership, of the land included, to those who are

capable by honest labor and economic enterprise of enriching society and themselves; by means of economic, political, ideological, law enforcement, and all other measures permitted by law to eliminate the omnipotence of bureaucratism in the organs of power and administration and to put a stop to the orgy of crime and corruption; to ensure glasnost for decision-making on questions of the formation of the Armed Forces, the National Guard, the National Security Service, and the Ministry of Internal Affairs, and also of the use of material resources; to actively contribute to the preservation and strengthening of the all-around ties of the Republic of Tajikistan to the independent states, which have taken shape over many decades, and to the establishment of equal, mutually beneficial relations with countries of all continents.

The denationalization of property and privatization could serve to revitalize production, preserve the existing and create new jobs, lift the restrictions on the growth of wages, and realize the right of the participants in the economic process to the results of their labor.

The first step on a way out of the crisis should be the restoration both of the intrarepublic market and the common economic space. All production and service structures may function normally only with mutually acceptable agreements on prices and tariffs providing for guarantees of their fulfillment and penalties for those who violate them. Everyone should grasp the obvious fact here that for a way out of the crisis and the all-around recovery of production, the imposition of world prices on the domestic market would be the final blow to the economy and the reduction of the population to total poverty.

The organs of power and administration must draw up and implement specific (in terms of sector and time frame) and long-term programs of the enlistment of producers in the market economy. Required for this are the reorientation of the production structures and the infrastructure connected with them toward commercial success, consideration of the requirements of the consumer, an expansion of the market, the emancipation of the distribution mechanism, advisory and research services and technical assistance, long-term bank loans on justified terms, and the introduction of the progressive taxation of profits from the products of monopoly enterprises, for which free prices are established, and also a system of taxation that does not fetter enterprise. State support for small and medium-sized business and the development of new forms of ownership in the countryside are needed likewise.

On the whole, it is impossible to accomplish the economic tasks without a solicitous attitude toward the production potential created by many generations. It is essential to this end to restore to an economically and socially justified level the working capital of the state-owned enterprises, which has been reduced in recent years; establish maximum prices of energy and products of the structure-forming sectors; determine the criteria and procedure of the computation of production costs; put an end to the flawed practice of the establishment of "free prices" of products in short supply, imported products included, merely with regard to the

growing demand for them, but without consideration of their prime costs and transport and merchandising outlays.

The program of enterprise privatization should provide for the competition of privatization scenarios (projects), including guarantees of an increase in product competitiveness, and conditions of the employment and remuneration of the work force. Employees who have actively contributed to its privatization may enjoy preferential terms for the purchase of stock. And the enterprises should be authorized to sell their products themselves, bypassing the commodity markets.

With any diversity of forms of ownership in the Republic of Tajikistan, the land, water, major hydraulic engineering works, mineral resources, and enterprises of defense significance shall for the transitional period be property of the state. The highest representative body—the Supreme Council—should ensure the firmness of the proposition that no law may be adopted and no tax may be imposed without its consent.

Evaluating the present position of the unions of the republic, we believe that they are failing to display due persistence and scrupulousness in the defense of the interests of the working people and the unemployed, and in assuring high employment and higher pay, with regard to the galloping rate of price rises for consumer goods and services, and also on matters of an improvement in work conditions. The traditional collective contracts between the employers and the unions have become an empty formality. A reform of the unions would be expedient under these conditions.

Structural policy, whose purpose is the development of the consumer sector and an increase in export potential, should be flexible and "sparing" in order to preserve the structures whose elimination or reduction would cause a sharp increase in unemployment. Power engineering and the branches of the economy without which effective structural changes are impossible require serious government support. Investments here should be tax-exempt, and the public sector should for the transitional period be determined as a percentage.

Agrarian policy is determining in the surmounting of the food and raw material crisis, in an improvement in society's dietary ration and the environmental situation, and in the recuperation of the social position of the countryside. A diversity of forms of land ownership should be established in the countryside to ensure that agrarian policy really serves these goals. It is essential to free the high-income kolkhozes and sovkhozes from administrative-economic interference, and they should be reorganized only in accordance with the wishes of the employees, farmers, and other structures.

It would be expedient to submit for public consideration the question of the differentiated (in terms of the natural and climatic zones of the republic) transfer of the land to the peasants, but without the right to purchase or sell it for 20-25 years. The state is called upon to ensure the parity of the price of food and agricultural raw material on the one

hand, and goods for the inhabitants of the countryside and agricultural production on the other.

The social policy of the transition to a market economy should prompt the citizens to socioeconomic activity, preventing the formation of dependent sentiments among the able-bodied part of the populace.

A system of material and spiritual support for those who objectively are incapable of ensuring by their own labor satisfaction of a minimum of consumption and cultural requirements should be created in the republic.

Henceforward, until the economy has recovered and the social position of the populace has strengthened, the state is required to regularly (not less than quarterly) index wages, pensions, allowances, lump-sum payments, and grants and the public's savings bank deposits.

Pensions should be paid on the basis of fair differentiation—with regard not simply to length of service but also to previous labor contribution and services to society and the republic. Mother and child, particularly in environmentally unfortunate areas, are in need of serious social protection. The economic costs of the transitional period and the manifestly insufficient attention of the state authorities have predetermined the extremely calamitous position of institutions of public education, health care, and research.

We consider urgent an increase in government appropriations to these spheres, thanks to a reduction in the swollen administrative machinery of the organs of power and administration and thousands of contrived positions in the national economy included. A society in which institutions of public education, health care, research, and culture and their employees are tied to the residual principle of distribution cannot be morally healthy.

Employment policy, being geared not only to a solution of problems of the training, retraining, and improvement of the employees and jobs for the able-bodied part of the population which is not in work, should serve as a factor of the relaxation of social tension, a reduction in the level of crime, and a strengthening of public morals. For this reason, it is essential together with the measures that are being implemented currently for the creation of jobs in the

republic to legislatively offer the enterprises the opportunity to provide with jobs young people, mothers, the handicapped, and retirees who did not work earlier. The resources allocated for social programs shall be tax-exempt.

Inasmuch as, by virtue of a number of factors, the problem of jobs for all the unemployed cannot be resolved in the republic itself, the Republic of Tajikistan should acquire the status of a developing state. This would give the unemployed the right of travel from the republic (on a contract basis for work in foreign countries, with their remuneration by international standards).

Foreign economic policy should serve as an appreciable support in the recovery of the economy and the social sphere of Tajikistan. But foreign economic relations should not be of any ideological focus here.

It is expedient to undertake national-state building in multinational Tajikistan on the basis of a balance of the real interests of the republic and the oblasts of Tajikistan.

We support a clear separation of the legislative, executive, and judicial authorities, with the unconditional supremacy of the law. We believe together with this that realization of the commonly accepted right of the peoples to self-determination should not conflict with civil rights or stimulate trends toward national-state exclusiveness or a one-sided orientation in foreign policy and a weakening and severance of economic and spiritual ties to the states that are members of the CIS.

The spiritual potential and cultural wealth of the Republic of Tajikistan are of world significance and an integral part of general civilization. But Tajikistan's integration in the world civilization process is impossible without the imperative of social reforms in the sphere of education, science, culture, and health care. The state is required to materially support the employees of these spheres and the scientific-pedagogical and artistic intelligentsia in their struggle against the onerous and humiliating consequences of the economic crisis and the uncontrolled transition to market relations and adopt effective measures to stabilize the situation and consolidate all political parties and public organizations of the republic and adopt constructive measures that will contribute to the speediest development and formation of a democratic secular state.

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